The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

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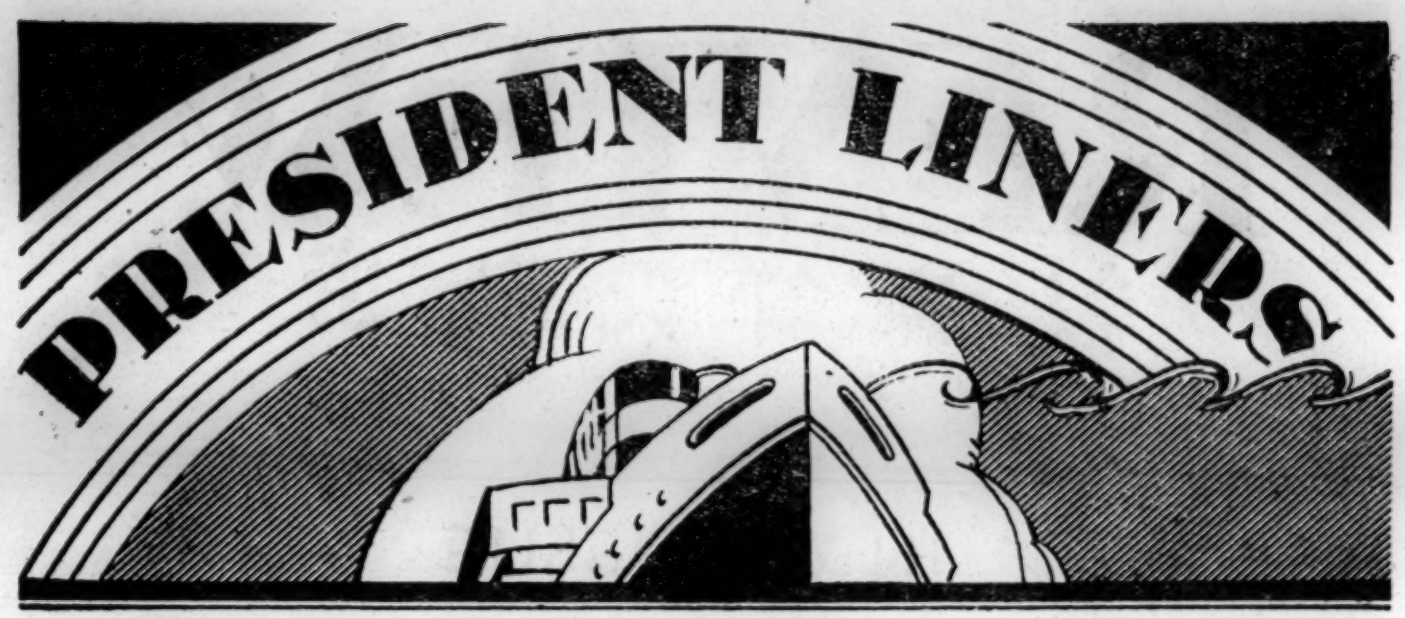

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Formerly Millard's Review

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YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE, POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

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WASHINGTON OFFICE
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Colorado Building, Washington, D. C.

BOMB-THROWING YOUTH WILL FIGHT JAPANESE IN MANCHURIA

YUNG WEI-FAN, sixteen-year-old Chinese youth who confessed in court to throwing a bomb into a Chinese shop that allegedly was dealing in Japanese goods, has announced his intention of going to Manchuria and joining the volunteers. Yung first received a sentence of two months in the Chinese court in the local French Concession, but the sentence was suspended for a period of two years. Then when it was discovered he also had thrown bombs at shops in the International Settlement, he was re-arrested and received another suspended sentence of three months, the period of good behavior in this instance also being two years. But with public opinion obviously on his side and with plenty of legal talent ready and willing to assist him without charge, Yung has appealed to a higher court. In the meantime a number of Chinese educational institutions have offered him free scholarship, but according to the latest announcement Yung prefers a trip to Manchuria in order to fight the Japanese directly. Needless to say, youthful Yung has become a national hero with his picture and interviews in all the "mosquito" papers.

Although the business of throwing bombs is an enterprise that most persons wish to avoid both at the tossing and receiving end, the fact remains that such enterprises have had their rewards in not-too-ancient Chinese history. Miss Soumay Tcheng, well-known Chinese woman politician, lawyer and member of the Legislative Yuan, owes much of her success in life to a somewhat similar enterprise. When she was sixteen she assisted the revolutionists in the north by carrying bombs from Tientsin to Peking, the object of said bombs being members of the Manchu royal house. None of the officials, customs or otherwise suspected this attractive little Cantonese maiden of carrying such deadly implements. Then there was the case of Wang Ching-wei, head of the left wing in the Kuomintang and until recently active head of the Nanking Executive Yuan. He also became prominent as a youthful bomb-expert, succeeding on one occasion in smuggling a bomb into the Manchu palace at Peking and had it exploded the father of Henry Pu-Yi, present nominal head of Manchukuo, probably would have been killed. But the bomb was discovered and youthful Wang Ching-wei was sent to prison, only escaping the death sentence because of his youth

and handsome appearance. He was released following the overthrow of the Manchus in 1911, and later became a prominent figure in nationalist politics. We are not advocating bomb-throwing as an enterprise for Chinese boys and girls, but since Yung Wei-fan has decided to go to Manchuria where opportunity exists in abundance for direct anti-Japanese action, who can say what the future holds for him. A few weeks ago he was a printer's apprentice in a local publishing house and totally unknown except to his immediate associates.

AMERICA CALLS ON EUROPE TO PAY UP

THE decision of the Hoover administration asking the various European powers to resume payments of war debts in December has had a number of important reactions. One of the immediate results was a demand by England that France resume her payments on her debts to the British treasury—a demand that Premier Herriot is said to have even refused to consider. The American Note to France recalled America's refusal after the war to accept any reparations for herself; not only has the American Government received no compensation in the form of territorial acquisitions or economic privileges or governmental indemnities following the war, but also undertook no obligations of any kind toward other debt agreements. The American Note said further that any attempt to make it appear as though there is any connection between the two is to the disadvantage of the United States. The American note to France (in common with Great Britain and other countries) requesting payment caused a hostile reaction in that country. France's legislators are described as being unanimous in feeling that the American thesis is unjust but all hope that continued negotiations will lead to an equitable settlement. The French feel that America by its action will aggravate the world crisis; the French hint that America does not adequately realize the moral and material capacities of Europe.

The reaction in England has been on a much calmer plane than that which has been evoked in France. The British attitude, logically expressed as it was, did not, however, prevent the pound from dropping sharply. The American attitude briefly put is that it is not within the power of the Executive (that is, President Hoover) to grant any extension of the debt due by England on December 15 and that the British Government had not put forward any arguments or facts that could be presented to Congress for favorable consideration of the British proposal for a further postponement. The British argument is that the continuance of the enforcement of the war debts will delay the recovery of international trade; the British therefore proposed a further general review of the whole subject.

Prime Minister MacDonald summarized the general British attitude in a speech at Retford Nov. 25. The principal point he made was that Britain had paid approximately £200,000,000 more to America than it had received from Europe. He said he believed that a further suspension of debt payments would be good business from the standpoint of every nation, America included. The general British attitude towards the forthcoming payment due on December 15 by Britain is reflected by the *Manchester Guardian*, which asserts that the debt payments are certain to bar the return of world prosperity, will unsettle exchanges, tear up the Lausanne Agreements and jeopardize the world economic conference. Other British papers suggest that the pending negotiations are concerned not so much with Britain's ability to pay as to the advisability of the United States insisting upon it.

In the United States the general sentiment is in favor of asking the European debtors to pay, if for no other reason than to do otherwise would be to shift the burden from European taxpayers to American taxpayers. However, two outstanding Republican leaders in the United States, namely Senator Borah, who has again come to the fore, and Nicholas Murray Butler, President of Columbia University, are somewhat critical of President Hoover's unyielding attitude. Dr. Butler declared there is nothing to prevent an immediate suspension of payments for six months, as "every day this question remains unsettled, the difficulty of recovering from the depression is increased." Dr. Butler charged lack of real leadership at Washington asserting that the Administration has not a definite grasp of the situation, adding that "its principal policy lies in the hope that the problem will solve itself."

Senator Borah declared that the war debt problems must be so adjusted that the markets of the world will be reopened. He contends that the United States alone cannot settle these problems but must learn all the problems now confronting the debtors and help to solve them.

THE AMERICAN BOYCOTT WAS NOT STOPPED IN 24 HOURS

THE writer wishes from his personal experience to set Mr. Matsuoka right in his statement at Geneva that the boycott against America in China in 1905 was stopped within 24 hours upon the threat of the United States to send its fleet out here. At that time the largest life insurance company in America had a branch at Hankow, and in no province was the boycott more thoroughly enforced than in Hupeh province. It is quite true that strong protests were sent by America to the old Imperial Government to stop the boycott. The writer was among those whose business suffered from the boycott, as he was the agency director for central China of said insurance company. The American Consul in Hankow at that time was a kindly old gentleman, always willing to oblige, and he gladly acquiesced in the suggestion that a request be made to the local Chinese authorities to have them issue a proclamation forbidding the boycott of this American business. The writer made daily visits to the native cities of Hankow, Hanyang and Wuchang, and saw copies of the Chinese proclamation, but most of them had been posted upsidedown—which was sufficient hint to the populace that they were not to be taken seriously. No, indeed that boycott against America was not stopped either in 24 hours or in 24 days, and, while it lasted, the

personal animosity of the Chinese generally against America and Americans was very strong indeed . It was not an infrequent thing to have the Chinese call out insulting epithets and occasionally to throw missiles at such foreigners as were known to be Americans. There were other reasons, but the boycott contributed to the decision of the New York Life Insurance Co. to withdraw its agents from central China altogether.

The cause of the boycott against America in 1905, so far as its historical aspects are concerned, is related in the Lytton Commission's Report, as follow: "...boycott was directed against the United States because of a stipulation in the Sino-American commercial treaty as renewed and revised in that year, restricting more severely than before the entry of Chinese into America." That, as an abstract statement is quite correct, but is far from telling the whole story. The resentment of the Chinese against American policy dated back much further than that, but was brought to a culmination at that particular time when the Chinese representative to the St. Louis (Louisiana Purchase) Exposition (held in 1905) was treated with callous indignities by the San Francisco Customs officials. He was a dignified, educated Cantonese gentleman and was highly offended by being made under the guise of a physical examination—or at least was requested so to do—to jump over a hurdle or something of the sort. The treatment accorded him by the San Francisco customs officials in general was highly offensive and when news of same reached his fellow countrymen at home it proved to be the spark that set the flames of anti-Americanism in motion—of which the ensuing boycott was the outward manifestation.

The Chinese laborers were originally encouraged by the American capitalists, particularly the railway promoters, to come to the country to perform the labor incidental to the putting down of railway tracks, the opening of mines and various industrial enterprises, particularly in the west. The fact is probably not known even to many Americans that the first trans-continental American railway (the Union Pacific) was largely constructed with Chinese labor. A decade or two later, when Italians and Irish immigrated into the country, an agitation to oust the Chinese from the country began, and this eventually led to the enaction of exclusion legislation.

The history of the American exclusion provisions as applied to the Chinese accords very poorly with America's idealistic policy towards China in general, and will undoubtedly some time again in the future be the cause of heart-burnings between the two countries. If, for the present, this subject is quiesecent it is merely because matters of greater moment have been to the fore in recent years. But the plain truth is that America's immigration provisions so far as they are made applicable to Asiatics are frankly based on race prejudice, just as the laws of certain states in the southern part of the United States are similarly based on race prejudice as applied to members of another race. Not only has much of America's legislation as regards the Chinese been based on race prejudice, but some of it was downright disgraceful. In the eighties, for example, when legislation with regard to the Chinese was very much to the fore, one Congress passed a law providing that Chinese in America, wishing to visit their native country, would be provided with certificates which would entitle them to return after a stated period. The Chinese who took advantage of such opportunity found themselves afterwards the victim of a trick which prevented them from returning, as a subsequent Congress had changed the provisions of the law in such a manner as to make their reentry impossible. Willis Fletcher Johnson in his book "American Foreign Relations" in discussing American-Chinese relations of that period says: "The United States had itself set the example of lawlessness by enacting a law in violation of its own treaty. It had sown the wind, and it was destined to reap the whirlwind." George F. Hoar, the great senator from Masschusetts, had given solemn warning against such a course in a speech in the Senate against the Exclusion Act of 1882. "As surely," he said, "as the path into which our fathers entered a hundred years ago led to safety, to strength, to glory, so surely will the path on which we now propose to enter bring us to shame, to weakness, and to peril."

G. W. M.

Col. Fred D. Kilgore Returning for China Service

Col. Fred D. Kilgore, who came to Shanghai with the Fourth Regiment, U. S. Marines, in 1927 and served for a considerable time here, is returning to China next January or February, according to letters received from America this week. Since returning to the United States, Col. Kilgore has had service on the Pacific coast. Col. Kilgore will be accompanied to China by Lt. Evans F. Carlson who previously served as Intelligence Officer with the Marines. Since leaving China, Lt. Carlson has had extensive service with the Nicaraguan Constabulary, his present position being Chief of Police, Guardia Nacional, Managua, Nicaragua.

Hongkew Park Bomber Executed at Osaka

In Ho Kichi, who threw the bomb which killed General Shirakawa and Mr. Kawata, and severely injured other prominent Japanese who were attending a celebration in Hongkew Park, Shanghai, last Spring, was executed in Osaka military jail on Thursday, November 24. The condemned man was brought to Kobe in the *Taiyo-maru* Nov. 20 and was taken by car to Osaka in order to dodge a big crowd which assembled at the docks to see him. Two other cars, filled with armed gendarmes, acted as escorts. Newspapermen waited at the small pier but were not allowed to photograph the condemned man.

The Starving Thousands of Northern Japan

The privations of the 610,000 famine stricken people in Hokkaido, the northern island of Japan, increase with the advent of the winter months. It is said that over 50,000 children attend school without lunch. Against the necessary relief expenditure, amounting to seven or eight hundred thousand yen, the subscriptions so far collected from the people in all part of Japan, according to the *Japan Chronicle*, amount to about Yen 400,000.

Forthcoming Plenary Session at Nanking

A recent telegram from Nanking stated that practically all of the C. E. C. and C. S. C. members residing away from Shanghai will attend the forthcoming third plenary session which is scheduled to meet at Nanking on December 15.

According to last reports a total of 28 members of the two Central Committees are at present in Shanghai. It is understood that several important proposals are being jointly drafted by the C. E. C. members at Shanghai.

Japan's Budget Means a Thirty-One Yen Per Capita Burden

A FURTHER decline in the value of the Yen, with predictions that it would fall below twenty cents gold (as against its par value of 49½ cents) serves to accentuate the uneasiness felt in financial circles throughout the world, and particularly in Japan. With a view to stopping a further debacle the Japanese Government on November 24 enacted a regulation according to which all domestic and foreign banks in Japan are compelled to report to the government every day details of inter-bank exchange business including the amount of business done, also the rate and the purpose for which the transaction was made. This action it is predicted is merely the preliminary to the government itself taking upon itself the fixing of foreign exchange. An expert of the Japanese Finance Ministry who was recently sent to Dairen to investigate monetary matters, has reported that the drop in the yen was partly due to the fact that on top of the losing confidence of the Japanese public the principal banks in Japan had been selling the yen heavily, the Dairen merchants incidentally selling their yen holdings on the Shanghai market.

The newspapers in Japan almost daily contain articles which hint at the bankruptcy of the country unless adequate measures are taken. The Government proposes to set up a Finance Committee which will be chiefly concerned with the work of elaborating a financial program, through the pursuit of which the country may be saved from the necessity of raising deficit-covering loans at some future date. The view generally entertained among the influential Ministers, according to the *Japan Chronicle*, is that the country should be freed from deficit-covering loans on a ten-year program, under which the amount of such loans should be progressively reduced. To this end, a drastic administrative reform is considered imperative to save expenditure. On the revenue side, the taxation system is recommended to be thoroughly reformed so that all classes may be made to bear increased burdens according to their capacities. At the same time, plans have to be devised to increase the revenue from Government enterprises, in which connection the hope is expressed that all this may be possible, so that the financial bankruptcy, which is feared in many quarters, may be averted. It is alleged that the Yen 1,100,000,000 deficit-covering loans in the next fiscal year are largely due to temporary and emergency expenditures relating to the Manchurian affair, armaments improvement and relief.

The new Budget compiled by the Finance Department and approved at a meeting of the Cabinet Council November 18 is as follows:—

REVENUE.
(In Yen 1,000)

Ordinary	1,288,310
Extraordinary	949,650
Total	2,237,960

The extraordinary revenue consists of ordinary receipts amounting to Yen 53,250,000 and loans to the amount of Yen 896,400,000.

EXPENDITURE.
(In Yen 1,000)

Ordinary	1,357,390
Extraordinary	880,570
Total	2,237,960

Classified according to Departments, expenditure is as follows:—

	Ordinary. (In Yen 1,000)	Extraordinary. (In Yen 1,000)
Civil list	4,500	
Foreign	15,990	10,390
Home	49,560	167,480
Finance	433,130	40,870
War	172,010	275,870
Navy	178,820	193,780
Justice	32,820	1,660
Education	129,280	22,540
Agriculture and Forestry	28,880	88,770
Commerce and Industry	5,270	8,500
Communications	305,140	44,790
Overseas Affairs	1,950	25,880
Total	1,357,390	880,570

The *Tokyo Asahi* is bitter against the new Budget, and analysing it, says that the Yen 2,238,000,000 Budget means a burden of Yen 31 per capita on the average. Naturally, financial and political critics denounce it as ruinous to future finance. The Government, on the other hand, justifies it on the ground of inevitability.

In 1897, the Japanese Budget totalled Yen 223,600,000, and so it will be seen that during the past thirty-five years it has increased tenfold. The rate of increase has been particularly remarkable for the last two years. The reasons are: the Manchurian affair, the relief measures and the armaments improvement cost. Accordingly, the largest proportion of the new expenditure is taken up by expenses under these heads. Of the new expenditure amounting to Yen 740,000,000, the Manchurian affair expenditure (of which Yen 20,000,000 is appropriated in the form of the reserve fund of the Finance Department) is put at Yen 185,000,000, the armament improvement expenditure at Yen 237,000,000, and the relief expenditure at Yen 208,000,000. The other items of new expenditure include Yen 78,000,000 as loss in currency exchange and Yen 26,000,000 interest on new loans. When these items are deducted, the remainder is only Yen 20,000,000 or thereabouts.

War expenditure bulks very large in the new Budget. It aggregates Yen 820,000,000 army and the navy combined. Although big, the relief expenditure of Yen 27,000,000 pales by its side. In other words, the war expenditure constitutes 36 per cent. of the total. The Manchurian affair expenditure includes the expense of the Foreign Office, but as this is trifling, practically the whole of the expenditure may be regarded in the light of war expenditure.

Against this enormous expenditure, the State revenue for the next fiscal year makes a very poor showing. Whereas the expenditure reaches Yen 2,238,000,000, the ordinary revenue is Yen 1,288,000,000. If the ordinary receipts in the extraordinary department of revenue is thrown in,

the total is only Yen 1,341,000,000. The deficit amounting to Yen 896,000,000 must be covered by loans. Simply by reason of the existence of the laws providing for loan issues, the telegraph business loan (Yen 500,000), the earthquake restoration loan (Yen 12,000,000) and the road loan (Yen 10,000,000) do not bear the obnoxious name of deficit-covering loans. Nominally, the deficit-covering loans are put at Yen 680,000,000, but as a matter of fact all of the above-mentioned loans ought to be regarded in the light of deficit-covering loans. Formerly, the tax revenue (which is estimated in the new Budget at Yen 691,000,000) met more than half the total State expenditure. In the new Budget, however, it is less than one-third of the total expenditure. It is short of the combined expenditure of the army and the navy by Yen 230,000,000. This is, indeed, a very shocking state of national finance, as the *Ashai* quite rightly points out.

Serious anxiety regarding the projected excessive issue of loans by the Japanese Government was expressed by Baron Goh, President of the Japanese Chambers of Commerce and Industry, at a dinner given by said Chambers at Tokyo, November 24. Among those present was General Araki, the Minister of War, who with a characteristic chauvinistic point of view contended that the recent trend in Japan against capitalism was a greater danger to the nation than anything else. When Baron Goh declared that, viewed from the economic standpoint, the issue of loans was excessive and therefore was fraught with the danger of grave consequences, General Araki replied that at present there are indications that anti-capitalist agitators were taking advantage of the situation to carry out schemes "and there is no knowing when such a movement will come to a head." "This is no time to be talking about industries and economics," the War Minister is reported by the Japanese newspapers to have declared, adding, "Only after a settlement shall we be warranted to consider other questions." What "settlement" General Araki meant was not made clear, but evidently he means a settlement which envisages Japan conquering in a military sense although there is a possibility he may have in mind the creation of a "fascist-military" dictatorship in the near future.

There is general criticism that the big loan issues in the new Japanese Budget are calculated to endanger future financial stability, and the indications are that the Government will be vigorously attacked on this account in the forthcoming session of the Diet. The view prevalent in a certain section of Government circles is that although the new Budget provides for enormous loan issues, the emergency relief and the Manchurian affair expenditure are of a temporary nature and are bound to dwindle in subsequent fiscal years. It is further anticipated that thanks to the relief measures, business will gradually improve, and that even under the present taxation system there is a prospect of the increase of the tax revenue by about Yen 250,000,000.

According to the *Rengo* news agency, Japanese financial circles are becoming more and more opposed to the Government's fiscal policy, due to the rapid changes which are being made by inflation. Economists argue that steps must be taken to prevent further inflation, otherwise the nation as a whole will be pinched for cash and social troubles will result. The inflation so far has been caused by the budget deficit, due largely to the cost of Manchuria and Shanghai. (*Rengo* lays the blame on farm relief, but, as the *Japan Advertiser* points out, only Yen 163,000,000 of all the bonds to be issued during the current fiscal year, totalling Yen 692,000,000 will be for farm and other relief). Prices are rising rapidly, especially in those lines which are shipped abroad. Farm products have not been rising so rapidly as other commodities, which threatens to hurt the farmers still more. City dwellers also are being affected.

In the view of Mr. Mitsuchi, Minister of Railways, Japan is not in as bad a plight economically as are Britain, the United States, France or Germany. Taking the average world production in 1913 at 100, the index number is 84 for the United States, 75 for Britain, 93 for France, 62 for Germany and 239 for Japan, he says that whereas industrial production in most nations had shown a decrease from the pre-war period, Japanese production is over twice as much. Japan is expected to have an excess of Yen 100,000,000 on the receivable side of her international accounts this year, Mr. Mitsuchi predicted.

One of the incidental effects of the fall in the Yen has been to put the Japanese power companies, who owe huge sums to American manufacturers into a difficult position. Communications Ministry authorities have now come forward with a plan to save the electric power companies from the effects of the decline of the yen. This scheme, sponsored by Ryozo Makino, Parliamentary Vice-Minister of Communications, is rather incoherent as it appears in the various Japanese newspapers but it seems to contemplate further control by the Government over the industry, in connection with some kind of aid for the power companies. Whatever the plan may be, the *Japan Advertiser* says Mr. Makino has discussed it with leading power interests and with Finance Minister Takahashi and since he still is talking about it, apparently none of these was entirely discouraging. Japanese bonds and debentures in foreign currencies are now held in Japan to a total of Yen 700,000,000 at par, according to official figures, most of them having been brought into the country during and following the flight from the yen just a year ago. They were cheap then but the yen was at par and most of the holders now have profits. Mr. Makino would have the Government act to sop up these bonds, especially those issued by power companies. It might force the power companies to redeem the bonds by purchase, in accordance with Article III of the law to prevent flight of capital. The companies, of course, have no money. Here the Government might aid. It might declare an international moratorium on these loans. This is the second Makino suggestion. Third, it might impose a heavy tax on the holders of such securities, forcing them to sell and repatriate their money.

Recent telegrams from New York stated that bankers there point to Japan's budgetary problems as the major cause of unsettlement in

the value of the Yen. These problems are naturally linked with the demands of the military faction for what is regarded in America as unproductive expenditure. A recent *Rengo* message from New York stated that the belief in New York was that political considerations might make the imposition of fresh taxes in Japan difficult and this tended to confirm the widely held view that further large bond issues would be made in order to meet the budgetary deficit.

Murder of Yu Chung-han at Changchun---Japan's Attempt to Suppress Manchurian News

DEFINITE evidence that the Japanese puppet government at Changchun is seething with intrigue and dissension is provided in the details concerning the murder of Yu Chung-han, former head of the Control Yuan of Henry Pu-Yi's regime in Manchuko, which have just become available. Although some of the smaller Chinese newspapers at Shanghai have had references to the incident in recent weeks, no connected account of the sensational murder has yet been published in the Far East despite the fact that several weeks have elapsed since it occurred. Apparently the only account of the murder, and that an inaccurate one, which has appeared anywhere, was published in *Time Magazine* (N.Y.) on Oct. 24. But while the name of the victim was inaccurately printed in the New York magazine, the details apparently were correct for a reader of *The Review* in Dairen has sent us a report substantially the same. Where *Time Magazine* obtained the report was not stated, but whoever transcribed the account which appeared in its pages apparently confused the alleged name of the restaurant where the murder occurred (Yueh Hai Chung) with the name of the victim of the assault, "Yu Chung-han," who was head of the Manchukuo Privy Council.

Yu Chung-han, head of the Manchukuo Control Yuan, Who Was Murdered by Another Manchukuo Official, the News of Which Was Carefully Suppressed by the Japanese Censors.

According to the report in *Time Magazine* the venerable Yu Chung-han, carefully guarded by Japanese police, was dining in a Chinese restaurant in the Japanese railway town at Changchun, when another member of the puppet "Privy Council," named Li Yih-sun entered. It seems that Li previously had held the post of civil governor of Heilungkiang province at Tsitsihar, but had been replaced. The name of another Tsitsihar official, one Chen Shieh-yuan, also was mentioned in the account as having been displaced as a result of Yu Chung-han's intrigue, hence it was not clear as to who really was responsible for the murder of Yu Chung-han. The known fact in the story however, is that Yu Chung-han leading official of Manchukuo, serving under the Japanese, was murdered and the perpetrator was another Chinese official who never has been arrested for the crime. Yu Chung-han was dining at the time, surrounded by Japanese bodyguards, when the other official entered. The assailant seized an axe, or a butcher's cleaver used in the restaurant kitchen, and before anyone could interfere struck Yu several blows on the head and neck resulting in the victim's death in the Japanese South Manchuria Railway hospital at Dairen on Nov. 1. The assailant walked unconcernedly out of the restaurant to another restaurant where he dined without molestation by the Japanese police authorities and according to latest report is still enjoying his freedom.

The Japanese immediately clamped on a rigid censorship and nothing appeared in any newspaper either in Manchuria or in Japan regarding the incident, excepting a veiled reference in the *Japan Chronicle* (British paper at Kobe), which mentioned no names but speculated on the possibility of legal action being taken against Yu's assailant. Even the account of Yu Chung-han's death in the hospital at Dairen (*Nippon Dempo-United Press*) was carefully censored as the following message shows,

> Dairen, Nov. 13—Yu Chung-han, president of the Control Yuan of Manchukuo, died at 1:00 o'clock yesterday afternoon at the South Manchuria Railway hospital here of unexplained causes. It is expected that he will be succeeded by Mr. Yuan Chin-kai, a state councillor.

As stated in the foregoing, the murder of Yu Chung-han and the failure of the Japanese to take any action against his assailant, another high Manchukuo official, provides an interesting insight into conditions now prevailing in the puppet capital. A foreigner, well versed in world conditions, who recently was in Changchun, stated his opinion that never had such conditions ever prevailed in the capital of a state. Despite Japanese reports spread over the world about the "stability" of Manchukuo, the exact opposite prevails. The Japanese have not been able to find anyone they can trust and any Chinese official who associates himself with the Japanese is in immediate danger of assassination. Yuan Chin-kai, who assisted the Japanese in the organization of the original "peace and order" committee in Mukden shortly following the occupation of that city in the fall of 1931, told members of the League Commission that he was in danger of assassination and constantly was under surveil-

lance of the Japanese military spies and gendarmes. The murder of Yu Chung-han therefore serves to emphasize the undercurrent of chaos and intrigue which prevails despite the strict control of the Japanese military. Yu Chung-han, one of the oldest Chinese officials and diplomats of Manchuria, had been associated since early youth with the Japanese. He studied in Japan and for several years taught the Chinese language to Japanese military officers in Tokyo, one of them being the present War Minister, Gen. Araki. Returning to Manchuria he was pushed forward by the Japanese and once served as a director of one of the Chinese banks in Mukden under Marshal Chang Tso-ling. When the Japanese began the development of the Anshan mines, they were required by treaty to have a Chinese director, hence Yu Chung-han was given this position where he was reported to have amassed considerable wealth. Although in failing health, he assisted the Japanese in the organization of the "peace and order" committee in Mukden in the fall of 1931 and later on helped again when the Japanese created the puppet government at Changchun, serving as chairman of the Control Yuan or "privy council." He was a bitter enemy of Marshal Chang Hsueh-liang and always made this fact known in his statements to newspaper correspondents or in public addresses.

The Japanese action in suppressing all news pertaining to the assassination of Yu Chung-han serves again to emphasize the general censorship of all news which the Japanese are attempting to establish in Manchuria. According to a report from *The Review's* correspondent in Dairen, the Japanese are now working on the establishment of a new semi-official news organ which will be known as the "Manchurian News Agency," which will be headed by Hajime Satoni, formerly connected with the information section of the Japanese military headquarters at Mukden. Mr. Satomi recently returned to Manchuria from Tokyo where he made a news exchange contract between the new official news agency and the two Japanese news services, *Rengo* and *Nippon Dempo*. Under the arrangement, both of the Japanese news agencies will withdraw their correspondents from Manchuria and in future will be forced to depend upon the official "Manchurian News Agency" for their Manchurian news. However, they will continue to supply this news to the American news services, *Associated Press* and *United Press* as previously, the only difference being that the news from original sources in Manchuria will be collected and telegraphed from Manchuria by the new official service which will be directly under the control of the Japanese military general staff at Changchun. According to *The Review's* correspondent at Dairen, the Japanese military hopes in this manner to establish a more effective control of Manchurian news which is dispatched from Manchuria to the United States.

Under the system which previously prevailed in Manchuria the two American services, *Associated Press* and *United Press* depended, partially at least upon *Rengo* and *Nippon Dempo* for Manchurian news which was telegraphed to Tokyo from Manchuria and thence relayed to newspapers in the United States. Due to the fact that the two Japanese services were subject to Japanese military censorship in Manchuria, both the American services, however, have kept their own correspondents in Manchuria most of the time, the present *Associated Press* representative being James Mills. But by placing further restrictions on telegraphic facilities extended to non-Japanese correspondents in Manchuria, plus the creation of the new "Manchurian News Agency" the Japanese military hopes to completely bottle-up Manchurian news messages, excepting such as they may wish to be disseminated over the world. The staff of the new official Japanese news service will be composed largely of men previously employed by *Rengo* and *Nippon Dempo*, including K. Sasaki, manager of the *Rengo* office at Mukden and H. Ohnishi, former manager of *Nippon Dempo*, also at Mukden. Both will serve under Hajime Satoni, ex-military intelligence officer, who is head of the new official service.

As a result of Japanese military censorship over Manchurian news the *Associated Press* is reported to have adopted the policy of labeling its dispatches received from Japanese sources in such manner as to indicate to the reader in the United States the exact origin of the message, such as "*Rengo* reports, etc., etc."

Of interest in connection with Japanese military espionage over foreign newspaper correspondents in Manchuria is a report that the Japanese detective who followed Archibald Steele of the *New York Times*, has now been transferred to the Imperial Japanese Post Office at Mukden where he watches the messages filed by the Amercan and other foreign correspondents. Another interesting report to the same effect which appeared in the *Japan Chronicle* (*Nippon Dempo* message Nov. 16) stated the Japanese military authorities were keeping close watch over the activities of G. L. Shaw, a British merchant who resides at Antung. Mr. Shaw, it seems, is suspected of "communicating privately with Marshal Chang Hsueh-liang at Peiping regarding the activitities of the Koreans and Chinese volunteers (bandits) along the Korean frontier." Mr. Shaw, it should be stated, has been engaged in business for many years at Antung and since Antung is directly across the Yalu river from Korea, he naturally is interested in both Korean and Chinese import and export business. Several years ago Mr. Shaw was the subject of heated diplomatic correspondence between Britain and Japan as a result of Mr. Shaw's arrest and incarceration in a Korean jail due to Mr. Shaw's alleged indiscretion of entering Korea without a passport. It seems Mr. Shaw had crossed the river to meet his wife who had been visiting in Korea and since he was known to the Japanese authorities he had not thought it necessary to carry his passport in his pocket. As a result Mr. Shaw spent several weeks in a Japanese jail in Korea before the British Government effected his release. Now it seems Mr. Shaw is again under suspicion, the real cause this time apparently being due to the allegation that Mr. Shaw has been sending reports about Manchurian developments to certain British newspapers and also to his son who is a student at Oxford.

With reference to restrictions which the Japanese have placed on telegraphic facilities extended to non-Japanese in Manchuria, which amounts to military censorship not only of news messages but also private business messages, in-

cluding dispatches of foreign consular officials, *The Review's* correspondent at Dairen in a delayed message dated Nov. 14 stated that the Japanese military action "had made a farce of the open-door principle with respect to radio, telegraph and cable matters." The situation is especially serious at Harbin where the Japanese military authorities recently announced that radio, telegraphic and cable facilities "would be equally divided between the Japanese and the 'rest of the world,'" the term, "rest of the world" apparently applying to the Americans and Europeans. Sometime ago the Japanese established their own Imperial Japanese Telegraph Office in Harbin, bringing in some new equipment, but mainly the equipment was that previously owned and operated by the Chinese Telegraph Department. The telegraphic forms used are those of the Imperial Japanese telegraphs and the charges are now in yen. According to the "half-and-half" arrangement, the Japanese were supposed to send their messages in the daytime and the non-Japanese at night, but according to the report from *The Review's* correspondent at Dairen, the new system amounts to an almost complete Japanese monopolization of telegraphic facilities, it not being unusual to observe large piles of messages filed at night by the correspondents, foreign banks and consulates, lying about in the telegraphic office, while all Japanese messages have been sent without interruption. This means that news-messages filed by non-Japanese are delayed while messages filed by Japanese correspondents go through to Tokyo and are cabled over the world many hours or even days before the reports by neutral observers ever leave the Harbin telegraph office. The same situation applies to messages sent by American and European banks and business houses and the American and European consulates in Harbin. Practically the same situation prevails in Mukden, the Japanese even controlling the large modern station which was erected in Mukden by the Radio Corporation of America on behalf of the previous Chinese administration in Manchuria, which was in operation for several months prior to the Japanese military occupation on September 18, 1931. When the League of Nations Commission was in Mukden, the Japanese military made a great show of demonstrating they had nothing to do with the operation of this station, but the League Commissioners had not been gone many hours before the Japanese military was again in control. It also is alleged that the Japanese have enforced exorbitant rates for news messages by non-Japanese correspondents, unless the correspondents are willing to file their messages by way of Tokyo, where they presumably are subject to further censorship before leaving Japan.

This whole subject has an indirect bearing on the recent dispute between the Chinese and Japanese over the authenticity of a report by *Reuters* from Nanking on Nov. 24 alleging the massacre of 2,700 Chinese villagers in the vicinity of Fushun by the Japanese military. The *Reuter* report apparently was based on information supplied by the Chinese Foreign Office and told of the machine-gunning and bayonetting of Chinese villagers by Japanese troops while on one of their recent "bandit" hunts. A report somewhat similar in text had previously been printed in the local *Sin Wan Pao* and had been telegraphed to Geneva by the Chinese loyalist commanders in Manchukuo. The Japanese acting Consul-General in Nanking, Mr. Kamimura, officially denied the report and demanded a retraction from the Chinese Foreign Office on Nov. 25. The tightening of the Japanese censorship in Manchuria and restrictions on telegraphic facilities to foreign correspondents and consuls in Manchuria naturally makes it difficult if not impossible for non-Japanese to obtain confirmation of such reports. However, the news does leak out because the Chinese loyalist commanders in Manchuria possess radio sets which they use in sending out reports which are picked up by Chinese radio stations in Peiping, Nanking and Shanghai.

Manchurian Issue Referred to League Assembly---Will Japanese Withdraw?

SINCE the discussions of the Manchurian crisis at Geneva have degenerated into a maze of legal technicalities, it is impossible for the average newspaper reader to understand what actually has thus far taken place. The situation, however, may be explained in few words: The League Council, which is composed of representatives of the larger nations met on Nov. 21 for the purpose of considering the report of the so-called Lytton Commission. Both Chinese and Japanese representatives were present and presented their arguments, the Japanese opposing the report and reiterating their intention of maintaining control of Manchuria. After a discussion of the question lasting for a full week, the League Council was unable to take any definite action and on the morning of Nov. 28 voted to refer the issue to a special meeting of the League Assembly. The Japanese again raised serious objection to this action, abstaining from voting, but finally agreed to participate in the Assembly meeting, registering however a number of technical objections or reservations. The date of the Assembly meeting had not been fixed at the time of writing (Tuesday, Nov. 29), but was thought to be scheduled for December 5 or 6. Japanese objection to a discussion of the Manchurian problem before the Assembly is due to the fact that the Assembly is composed of all members of the League, hence contains a majority representation of smaller nations which are likely to favor China. This has brought up again the oft-discussed question whether Japan will continue her membership in the League in the event of an adverse decision.

Various reasons have been advanced for the failure of the League Council to take action on the Manchurian squabble, but these reasons likewise may be analyzed in few words. First, the two most important nations having a direct interest in the Manchurian problem—America and Russia—are not members of the League. Second, the larger nations which are members of the League, particularly Britain and France, have no

desire to take action detrimental to Japan. Both Britain and France have large colonial interests in Asia which might be adversely affected by antagonizing Japan, or by taking action which would result in a strengthening of nationalist China. The result is a do-nothing policy by the League Council, which factor has been evident all the time.

In the meantime many things are happening behind the scenes and outside the League which probably are of more importance to world or at least European, peace than what actually is taking place in the discussions pertaining to Manchuria. Of these various problems, disarmament and war debts are of primary importance. The United States Government has demanded resumption of payment of war debts following a year's moratorium which expires on Dec. 15 next. America also has demanded a drastic reduction in world armament. Europe is raising strong objection to a resumption of war-debt payments and Europe and Japan have flatly refused to consider the Hoover proposal for armament reduction, the Japanese now demanding naval parity with the United States and Great Britain. The result is a deadlock all around, hence the improbability of any clear-cut decision on the Manchurian problem which is inextricably connected with the other issues, particularly that of arms limitation.

Another important element which has a direct bearing on what is now taking place at Geneva is the tendency toward a re-alignment of the Powers. A dispatch by the *United Press* from Paris on Nov. 22 alleged that the Japanese had made another proposal to the French Government for a Franco-Japanese political and military alliance. It was claimed the French authorities had rejected the proposal, but the suggestion appeared that French armament interests, such as Schneiders and the Davandells, were bringing strong pressure on the French Government to advance loans to Japan, possibly with the object of protecting what they already have advanced in the past year since it is known the French have been Japan's chief suppliers of munitions since the beginning of the Manchurian complications in the fall of last year. However, since the French also are experiencing extreme difficulty in finding funds to balance their budget there doesn't appear to be much probability of extensive loans to either Japan or Manchukuo. Of considerable interest on the score of re-alignment of the Powers was the announcement last week of the ratification of non-aggression pacts beween France and Russia and between Poland and Russia, both of which had been hanging fire for practically a year. This leaves Rumania as the only European state of importance which has not negotiated a non-aggression pact with the Soviets, while in the Far East the Japanese and Russians seem to still remain far apart on this question. Mr. Matsuoka, the Japanese chief delegate at Geneva tried to induce the Russians to negotiate a non-aggression pact with Manchukuo, but Russia declined unless Japan was willing to negotiate a similar pact at the same time. The officials of the Japanese Foreign Office apparently would like to do this, but the all-powerful Tokyo military clique with its covetous eyes on Siberian territory, has refused to permit the Foreign Office to enter into negotiations with Moscow on this question. What effect the recent negotiation of Franco-Russian and Polish-Russian non-aggression pacts will have on Japan's attitude remains to be seen, some claiming they will serve to sharpen Russo-Japanese relations in the Far East. In the meantime statements have appeared in the local newspapers that one of the chief questions scheduled for discussion at the forth-

China's Delegation at the League—*Front Row*—(left to right) Liang Lone, Chien Ta, Lo Chung-yi, Dr. V. K. Koo, Dr. W. W. Yen, Quo Tai-chi, Dr. Yen Teh-ching, Dr. Hsu Shu-hsi, Dr. Victor Hu.

Middle Row (left to right) Ku Kung-cheng, Hsiao Chi-yung, Fu Kwan-hsiung, Dr. C. L. Hsia, Huang Kai-ping, Tsai Cheng-ling, Chen Ting, Lo Shih-an, Sung Hsuan-chuen.

Back Row (left to right) Ho Tu, Tennyson Tan, Liu Kai, Wu Kwang-han, Fang Pao-chun, Cheng Kai, Wang Ao, Yao Hsi-chiu.

coming meeting of the Kuomintang Central Executive Committee on Dec. 15, will be the matter of resuming full diplomatic relations between China and Russia. It was reported from Moscow recently that China had proposed the negotiation of a non-aggression pact between China and Russia several months ago but the Russians had declined on the score that China should first resume diplomatic relations. Whether America will resume diplomatic relations with Russia following the inauguration of President-elect Roosevelt remains to be seen; the present tendency appears to be in that direction, particularly in view of the recent action of the British Empire in erecting tariff barriers detrimental to American trade.

On the score of Russo-Japanese relations the most recent development was a rather curt Russian note to the Japanese asking them to withdraw their representatives from Matzevskaya, Siberia. In order to facilitate the release of Japanese prisoners held by the Chinese loyalist commander, Gen. Su Ping-wen at Hailar and Manchuli the Japanese asked permission to send military and consular officials to Matzevskaya, which is the nearest station on the Trans-Siberian railway to the Manchurian border. The Russians agreed to this and as a result of Russian mediation, Gen. Su Ping-wen released most of the Japanese women who had been held in Manchuli for practically two months. However, Gen. Su refused to release the Japanese male prisoners and seeing that further negotiations were likely to be fruitless, the Russians requested the Japanese to withdraw their mission, particularly in view of the fact that the Japanese were taking obvious advantage of the situation to establish air-plane reconnoissance over the Siberian-Manchurian frontier where Soviet troops are quartered. The Russian request for withdrawal of the Japanese mission naturally aroused sharp comment in the Japanese press which was coupled with allegations that this proved the Russians were helping the Chinese volunteers and loyalists who are holding the Barga district, or that portion of North Manchuria which lies to the west of the Hingan mountain range.

American experts who assisted the Lytton Commission. (Left to right)—Lieut. Biddle, Miss Lucy Knox, C. Walter Young, Mrs. Young, Prof. Ben Dorfman, General Frank Ross McCoy and Mrs. McCoy.

While some profess to see indications that Japan is becoming more conciliatory in view of the decision to attend the meeting of the Assembly and participate in the discussions of the so-called Committee of Nineteen, other reports from Tokyo indicate the reverse. An indication that the Tokyo War office is proceeding without regard to Geneva was conveyed in the *Rengo* announcement from Mukden on Nov. 28 that preparations are being rushed through for the appointment of Gen. Muto as ambassador to Manchukuo and for the puppet state to send a representative of equal rank to Tokyo. Reports pertaining to instructions which the Japanese Government has sent its delegation at Geneva indicate that while there has been a change in tactics, there actually has been no change in Japan's real policy on the Manchurian issue. A *Rengo* message from Tokyo on Nov. 27 stated that Japan "will persist in opposing any movement for giving the Assembly full power to discuss the Manchurian question; that the Japanese delegates will attend the special assembly solely for the purpose of explaining the Japanese point of view, but if any actual discussions are held they must be held in the Council; that the Manchurian question must be settled by peaceful means (direct-private discussions between China and Japan), meaning that Japan will resist any compulsory measures by the League Assembly or otherwise." A *Reuter* message from Tokyo on Nov. 29 stated that further instructions had been cabled to the Japanese delegation "to attend the sessions of the Committee of Nineteen and participate in the discussions, but only on condition Japan is accorded treatment of a member of the League Council and not as an assessor or as a prisoner at the bar." Comment in the Japanese newspapers such as the *Asahi*, declared that Japan also would resist any move to transfer the discussions of the Manchurian question to a new committee composed of representatives of the signatories of the Nine-Power Washington Treaty, including America, or any other special committee that might contain American and, or, Russian representation. A *Reuter* message from Tokyo on Nov. 24 quoted extracts from the Japanese magazine *Kaizo Sensen*, organ of the so-called Producers' Party, which discussed the pros and cons of a foreign war as a means of distracting the attention of the Japanese people from domestic grievances or as a means of warding off the dangers of internal strife. Zenichi Suzuki, the writer of the article, pointed out that a foreign war at this time "would simply serve to strengthen the domination of the capitalists even though Japan were victorious, while a Japanese defeat would result in Japan being left in the humiliating position of subjection to a foreign race."

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That the Japanese Government is facing a major domestic crisis needs no further explanation in these columns, hence the timeliness of speculation as to what course the military leaders of that country are likely to take. Will it be withdrawal from the League and a foreign war,

or conciliation? T. A. Bisson, prominent member of the American Foreign Policy Association, in a recent address in New York declared, "The Imperial Government of Japan and the Nationalist Government of China will both seriously bend next year if they do not actually break under the weight of problems that vex them both...There is every indication that Manchuria is fast becoming a heavy financial burden on the shoulders of Japan and even now is a liability....efforts to pacify the people of Manchuria has been entirely unsuccessful despite the huge amounts of money spent....However, China also has serious political and financial problems and unless remedies are found a serious break is bound to come.... The Kuomintang is steadily growing weaker and the Party's grip is relaxing in several parts of the country....In the meantime Japan is staggering under the heavy load required to maintain its military machine as a going concern....The question is whether Japan will actually be bent to the breaking point depends upon the success or failure of the present military ventures." The foregoing is an excellent summary of the existing situation in the Far East, but in a long-drawn-out struggle, Japan is certain to lose because her newly-established and over-extended industrial system cannot stand the strain. Japan now has in excess of 100,000 troops in Manchuria and according to latest reports the Tokyo war-lords are shortly dispatching two additional divisions to that region. This action belies the recent Japanese claims broadcasted in Geneva that the so-called "banditry" in Manchuria is on the decrease. The same issue of the Rengo reports that contained the report of alleged decrease in disorder, also contained a report of another major military drive into North Manchuria, the object being to dislodge the loyalist commander, Gen. Su Ping-wen who is holding the Barga district.

The increasing seriousness of the situation, combined with the unlikelihood of definite action at Geneva, has apparently made the Chinese more determined to continue the struggle. The Chinese delegation at Geneva has refused all compromise measures which do not take into consideration the re-establishment of undisputed Chinese sovereignty in the northeastern provinces, but of more direct importance is the apparent determination of Chinese leaders as well as the rank and file throughout the country to continue the struggle for the recovery of the lost territory. Practicaly all of the leading Chinese newspapers in north, central and south China in recent days have speculated on the probable failure of the League to take action and in consequence have urged the people to prepare for a long-drawn-out struggle. One newspaper suggested that Japan was likely to follow one of three possible courses, First, accept the League decision and change her policy; second, withdraw from the League and prepare for open military action against China; third, remain in the League but refuse to carry out the decision of the Assembly. It was suggested that Japan probably will choose the third course, hence the next few weeks are certain to be the most critical in the history of the Republic. There is a general realization that China cannot afford to face Japan in a major frontal military contest, but on the other hand there is confidence that China has an advantage in the type of warfare which China is equipped to wage—the economic boycott and volunteer activities against the Japanese in Manchuria. Two major factors, are relied upon, China's continued resistance against Japan and the Powers' ultimate refusal to recognize the puppet state of Manchukuo. Continued Chinese resistance will make it impossible for Japan to pacify Manchuria, while the powers' refusal to recognize Manchukuo will make it practically impossible for the Japanese to obtain foreign financing in order to head off a domestic collapse of major magnitude.

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Of final interest on the Manchurian issue are views expressed by observers, official and otherwise, over the world which give a hint to the trend of public opinion. Thomas F. Millard, well known writer of books and authority on Far Eastern politics, who is now in Geneva serving as adviser to the Chinese delegation, is the author of a pamphlet on the Manchurian question which received considerable attention in the European and American press. Mr. Millard declared that the new system of armaments and alliances somewhat similar to pre-war European days, but with the Far East as the pivotal point, is tending in the direction of a major cataclysm. Declared Mr. Millard, "If the Washington Conference is worthless and its treaties can be disregarded at will by Japan, then no treaty by America, or any other nation with Japan, can be depended upon. If the League fails to correct the situation and the Washington Treaty falls to the ground, carrying many things with it, if the treaty is scrapped for lack of English and French support, then America's confidence in England and France will wane. If the League of Nations, the Kellogg Pact and the Washington Treaties are ineffectual in making Japan pause in her aggression on China, then it is logical that China and America, the two nations most interested in checking the aggression of Japan, may join to defend themselves if threatened by adverse combinations from other Powers. This will mean a reversion to the pre-World War attitude on armaments and world peace." Chester H. Rowell, well-known California publicist who served as a member of the American delegation to the last Institute of Pacific Relations, in a recent article in the *San Francisco Chronicle* declared,

> Japan is, after all, appealing to the only right to which a nation, under such conditions can appeal—the right of the strong arm. It was once the right of a nation to be whatever it was able to do. The only limitation on that right was the ability and willingness of some other nation to stop it. In the world, as it then was, Japan would have been within its rights to make its own decision, carry it out by force, deny that it was anybody's business, and defy all and sundry to interfere. And, while that is no longer the right of nations, it is still the power of any nation powerful enough to do it.
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> It is one thing to outlaw force, and another to prevent it. Any nation, group or man, strong enough to do anything is strong enough to do that thing, unless somebody or something is strong enough to prevent it. This is axiomatic. In the final resort, nothing but force can stop force. If Japan is willing to resort to force, and the world is unwilling (as it clearly is) to use force against it, Japan can do whatever it has the force to do, against anything

but a higher force. And not only Japan but any strong nation. We are in the age of force again, if any nation, by force, chooses to put us there.

That is the question, and is the reason this is a world issue. What Japan did to China, if that were all, would be Japan's and China's business. But what Japan does to the peace machinery of the world concerns all of us. That machinery is still only half constructed. Any strong nation that chooses can smash it. If it is smashed, it is the safeguard of all of us that is smashed. The nation that chooses to strike the first blow to smash it assumes a serious responsibility before the opinion of mankind, and at the bar of history. The present militaristic regime of Japan has announced its purpose to take that responsibility. The hope of the world is that the better spirit of another and liberal Japan, for the moment in abeyance, will bring about a different policy before it is too late.

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O. M. Green, former editor of the *North-China Daily News*, who during his long editorship of the leading British organ at Shanghai became known as the outstanding advocate of international intervention in China, apparently has not changed his views though now living in retirement in England. In a letter published in the *London Times* on November 23, Mr. Green drew attention to the fact that certain other phases of the Lytton Report were being overlooked due to concentration on the Manchurian issue. Referring to disturbed internal conditions in China, Mr. Green said the Lytton Report devoted more space to a plea for international cooperation and internal reconstruction in China than to a settlement of the Manchurian question. In conclusion, Mr. Green declared the League "has the grandest chance of its career by taking the Report as a whole rather than piecemeal." One is left to wonder whether Mr. Green is really a supporter of League cooperation with China as evidenced in its recent humanitarian activities in this country, or whether he favors international military intervention as he did in 1927 and for many years previously. An extract from an editorial in the *London Times* on November 23, which was telegraphed to the Far East by *Reuters* declared,

> It is impossible that the Council pass sentence of guilty or not guilty, because neither country is blameless for the violent turn of events, but it is important that the League realize what it can and cannot do and not attempt more than the present organization allows. It cannot, by a stroke of the pen, retransform Manchukuo into Chinese provinces, and on the contrary, it must definitely refuse to recognize the state of Manchukuo because its existence conflicts with the Lytton report, the basis on which the League must find a solution.

The London *Observer*, in an editorial on Nov. 26, deplored the wide-spread levity in the comment of western Europe. "The enthusiast who demands that the Covenant be vindicated by a virtual war with Japan, is the Covenant's worst enemy. The only way to avoid war and general calamity is to have patience and sympathy with both sides. A Japanese-Soviet agreement will quickly follow if things go badly for Japan at Geneva. It might invoke some sort of recognition for the Manchukuo regime and perhaps a Manchukuo-Russian non-aggression pact . . . " The London *Daily Telegraph* declared in the oucourse of an editorial on Nov. 22, "Britain must not be drawn into commitments to support the Chinese claims in regard to Manchuria and to antagonize Japan to the point of leaving the League, for the prospects of the Disarmament Conference would thereby collapse and the result as regards naval disarmament would be disastrous to Britain and the rest of the world." On the other hand, however, the British Union for Democratic Control, which contains influential Labor and Liberal membership, declared, "Should Japan take the extreme course of withdrawal from the League, it should be made clear that she does not cease, by this action, to be bound by the Covenant, unless, as stated in Article I, all her international and Covenant obligations are fulfilled at the time of her withdrawal."

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The question as to what might happen in the event of Japan's withdrawal from the League has aroused considerable speculation both in America and Europe. Curiously this speculation on both sides of the Atlantic centers largely on what would become of Japan's mandated islands in the South Pacific in the event of a Japanese withdrawal. "Pertinax," the political correspondent of the *Echo de Paris* declared, "The Japanese have good arguments against the Lytton Report which is full of contradictions. They are right in maintaining that China is an unorganized state and that communism is prevalent. It was plainly evident that the Japanese delegates had been authorized by Tokyo to withdraw if they deemed such procedure necessary." The *United Press* correspondent at Geneva on Nov. 22 sent a long dispatch dealing with Japan's mandated islands, stating that the possession of these important islands probably would serve as a deterrent to Japan's threatened resignation from the League. "These islands are part of Japan's first line of naval defense against an attack from the east. In the event of Japan's withdrawal from the League the United States might claim them as one of the principal Allied Powers in the world war..... Although Wilson idealism at Versailles prevented the United States from entering a bid for the islands, nevertheless American uneasiness over the situation was ultimately felt in the Yap controversy in 1921. The Yap question has since been settled by treaty, but the United States still clings to her policy of non-recognition of Japanese authority over the Mandates because, as one of the war time associates, she was not consulted in the League Council's decision to give the Mandates to Japan. With this situation confronting Japan, some observers even considered the possibility of Japan's withdrawal from the League and keeping the mandated islands. This, in their opinion would necessitate the summoning of a conference of the signatories to the Four-Power Treaty, Great Britain, France Japan and United States."

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Because of the importance of more pressing issues affecting her own welfare, German comment on the League situation affecting Manchuria has been most reserved. However, some of the German newspapers have published pointed editorials. The *Vossische Zeitung* on Nov. 26 contained the following, "Even Great Britain has altered her policy and shows that every opportunity of friendship with Japan is more important than a just settlement of the Manchurian

question... The only nation which seems to really want a decision on the Manchurian question is the United States which fears that to disregard the Kellogg Pact would render all guarantees of peace illusory." Another German newspaper, *Germania*, declared on Nov. 22, "The League of Nations will remain true to sample and shelve a decision on Manchuria as it has done for the past fourteen months. The tragedy of the Manchurian conflict shows clearly that the League is much too inadequate and imperfect an instrument to be entruseted with functions of such vital importance as M. Herriott (France) has been proposing in his construction plan. Great Britain and France have never had any enthusiasm for sharp action and are the Powers chiefly concerned in procrastination over Manchuria. Germany's only anxiety is to avoid a precedent, which might react unfavorably on her if she should ever find herself in the position of Japan or China... The prospect that the Far Eastern conflict will be extinguished at Geneva is practically nil."

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Of indirect interest in connection with the matter of Anglo-Japanese relations in the Far East was an extract from an address delivered on Nov. 26 by the British Ambassador to Japan at the annual dinner of the Japan-British Society. According to the *Reuter* report, the British Ambassador declared, "It is a source of the greatest satisfaction and confidence to feel that our two great island empires have, beside the similarity of geographical position and the long tradition of friendship between the two, a union in the two reigning houses. We repose in you our full confidence and we know we shall receive yours in return."

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Chinese National Bar Association Sends Telegram to Geneva

The Chinese National Bar Association has taken issue with Mr. Matsuoka, the Japanese delegate at Geneva, on the question of the genuineness of the Memorandum of the Minutes of the Japanese Colonial Department, to which Mr. Matsouka referred in the course of a speech in reply to Dr. Wellingtnn Koo's allegations concerning the Tanaka Memorial.

Mr. Matsuoka is reported as having said: "Some Chinese had apparently been encouraged by their success in exploiting foreign gullibility with forged documents and had been issuing another spurious document called the Memorial of the Minutes of the Japanese Colonial Department."

In a cablegram despatched to the League Council Nov. 24 the National Bar Association pointed out that these minutes of secret meetings of the Japanese Colonial Department had been obtained by the Association from Japanese sources at Harbin. The Association claims that the authenticity of this document is beyond question. It points out that Japan's foreign policy as laid down in these minutes was actually what the Japanese Government has been pursuing during the past few decades. This policy was, before the Washington Conference, to play one Power against another in regard to China; and, after the Washington Conference, to prevent the unification of China and to keep her in a continual state of chaos by inciting and actively supporting internal disturbances in the country. This indisputable fact, the Association claims, is in itself sufficient to bear out the authenticity of the document in question.

Shanghai Commercial Bodies Appeal to Roosevelt

Over 160 commercial and industrial guilds of Shanghai jointly despatched a cablegram end of last week to Franklin Roosevelt, the American President-elect, urging him to support the Covenant of the League of Nations. The cablegram recalls that it was on the initiative of the great Democratic leader, the late President Woodrow Wilson, that the League of Nations was founded. It points out that it has always been one of the cardinal policies of the Democratic Party to give active support to this peace machinery. With their recent success at the polls, both in the Presidential and Congressional elections, the Democrats will have an opportunity of carrying this policy into actual effect.

Manchuria Is Also China's Lifeline

Declaring that "Manchuria is the lifeline of China," the Shanghai Federation in Support of the League Covenant issued a strong appeal end of last week to the entire business community in the country calling upon them to make concrete efforts for the salvation of the nation.

The merchants are urged, in particular: To support the Covenant of the League of Nations; to strive for the preservation of China's territorial integrity; to enforce an economic blockade against Japan; to give substantial support to the Chinese Volunteers in Manchuria; and to curb the Covenant-breakers and distubers of world peace.

Opposition to Lytton Recommendations Voiced by Peiping Educators

Opposition to the Recommendations of the Lytton Report was voiced by 57 educational and cultural leaders in a manifesto broadcast to the country from Peiping, Nov. 22. The educators point out that since the national crisis arose last year they have adhered to two principles in regard to the Sino-Japanese controversy. First, China should devise her own ways and means of resistance and struggle. Secondly, efforts should be made to make known to the world the "true facts of the September 18 outrages." The manifesto says that since the world has recognized the fact that the responsibility for breaking the peace of the world rests on the shoulders of Japan, "our second object has been achieved. Henceforward, we should concentrate our efforts on the attainment of our first object by putting up a determined resistance. We are confident that righteousness will ultimately triumph over brute force."

China's Interest in the Monetary Conference

T. V. Soong, Minister of Finance, in the course of an interview granted to the press at Nanking Nov. 29 welcomed Norman Davis' suggestion that China be invited to participate in the preparatory committee of the world monetary conference. Mr. Soong intimated that in the event of China's being invited, he himself would like to attend the deliberations of the preparatory committee, if by that time Wang Ching-wei had returned home from abroad to relieve him from his duties as acting President of the Executive Yuan.

The Finance Minister emphasized the importance of this conference in relation to the economic welfare of the world. In his opinion China's attendance might enhance the opportunity for Chinese and foreign economic cooperation.

He said that he believed the silver question was one of the most important problems in the agenda of the forthcoming conference, and that some sort of an adjustment between the United States and China, respectively the largest silver producing and silver using countries in the world, would not only benefit the two countries but be conducive to the recovery of general enonomic conditions.

Nanking Insists that Broadcasting Stations Must Register

The Nanking Government recently issued regulations for the control of privately owned broadcasting stations. These regulations which have been announced provisionally by the Ministry of Communications provide for the licensing of all private broadcasting stations within territory under the jurisdiction of the Nanking Government. According to these regulations, Chinese citizens, corporations, as well as Sino-foreign corporations and organizations must be registered with the National Government and must abide by the regulations laid down by the Ministry of Communications.

One of the results of Nanking's action has been to have the Shanghai Municipal Council investigate the broadcasting situation in the Settlement. The hope of the Council is eventually to introduce a form of licensing, but on provision exists in the bye-laws for such action at present.

19th Route Army in Control in Fukien

The Executive Yuan Nov. 29 decided to appoint Gen. Chiang Kwang-nai as chairman of the Fukien Provincial Government and Gen. Tsai Ting-kai commander-in-chief of the Peace Preservation Forces of the province. These new appointments make the Fukien Government practically a 19th Route Army Affair.

General Chiang Kwang-nai is appointed concurrently civil governor of the province, while General Fan Chi-wu, formerly treasurer of the 19th Routh Army, becomes the finance chief of Fukien. Other appointments include Sun Hsi-wen, reconstruction chief and Cheng Chen-wen, educational chief of Fukien.

A definite plan will be formulated in Fukien. This army has sufficient forces to cope with the Reds, but owing to the alleged hostile attitude of the Fukien mercenary troops the full strength of the 19th Route Army cannot be mobilized against them.

19th Route Army to Cooperate with 1st Route at Canton

The 19th Route Army, now in control of Fukien province, has sent a representative to Canton with the object of working out plans for cooperation with the Canton 1st Route Army in a combined drive against the red forces in control of southern Kiangsi.

Exodus of Shantung Troops to Chekiang-Fukien Border

The troops of General Liu Chen-nien are gradually being shipped out of Shantung by way of Chefoo. One party, including 1,500 men, equipment and about 1,000 mules and ponies, was embarked on two commandeered vessels, the *Yuhsing* and *Hweian*, at Chefoo end of last week. A recent telegram from Chefoo stated that General Liu Chen-nien's officers and men are making every endeavor to observe the strictest discipline. They are co-operating in every possible way with the Chinese naval authorities who are assigned at present to the temporary control over Chefoo.

Five transports carrying 5,000 men of the 21st Division under General Liu Chen-nien arrived at Wenchow Nov. 26. Upon their arrival, the troops were dispatched to the various cities on the Chekiang-Fukien border for garrison duties. Three-fourths of the division are to be stationed at Pucheng, Sungchi, Chengho, Shouning and Futing, in northern Fukien; and the rest at Chingyuan, Taishun, Lungchuan, Chingning and Lishui in southern Chekiang.

General Liu Chen-nien has telegraphed to the Chekiang Provincial Government and the Wenchow and Lishui district governments requesting them to provide rations for the men. Some of the local governments have raised objections to the quartering of these troops.

Alliance Formed Against General Liu Hsiang

General Liu Hsiang, the Chungking warlord who has met with repeated successes in his advance towards Chengtu recently, now faces imminent defeat as General Liu Wen-hui, chairman of the Szechuen provincial government, has succeeded finally in reaching an understanding with Generals Teng Shih-hou, Dien Sung-yao, Yang Sen, Liu Chen-hou, Li Chi-hsiang, Loo Chih-chuan and other minor warlords. General Liu Wen-hui's new allies declare that they are seeking a peaceful settlement of the Szechuen strife, intimating that they would form a united front against a further advance of the Chungking forces in order to force an immediate cessation of hostilities. The Chungking forces met their first serious defeat Nov. 27, at Suchow as a result of the alliance of warlords in Chengtu.

Heavy fighting is now looming at Chienjen where the allied forces are being concentrated to check General Liu Hsiang's advance. Determined to carry out his plan of campaign, the Chungking warlord has ordered up reinforcements. Observers believe that the Chienjen encounter will determine the fate of the conflicting forces, as the rivals have mobilized their entire forces for the struggle.

Szechuen General Calls on General Chiang

General Wang Lin-chi, a divisional Commander under General Liu Hsiang, Commander of the 21st Army and concurrently Rehabilitation Commissioner of Szechuan, arrived in Hankow by airplane Nov. 24 to report to General Chiang Kai-shek on the military situation in Szechuan. General Liu has summoned the Szechuan brigade under Major-General Liu Shu-hsin back from Shasi, which city will hereafter be garrisoned by the 48th Division under General Hsu Yuan-chuan. The 21st Army is still garrisoning the area west of Ichang.

A *Reuter* report from Nanking on Nov. 29 stated the Szechuen civil-war to the present had resulted in 20,000 casualties and some $150,000,000 in property loss.

Yen Challenges Matsuoka at Geneva

In dealing with the anti-Japanese boycott in China, Mr. Matsuoka, Japanese delegate, in his speech before the League Council at Geneva Nov. 23 quoted American State papers regarding the first official Chinese boycott which was directed against America. He stated that as a result of the U. S. threatening to call up the Pacific fleet the boycott against America was called off within 24 hours.

Mr. Matsuoka quoted correspondence in which America had described the boycott movement directed against her as an irregular, illegal method of diplomacy, a form of blackmail and as a hostile act carried on with the sympathy of the Chinese government. He stated that at this time also America had further declared that it was the duty of the Imperial government of China to put an end to the boycott.

Dr. Wellington Koo, the Chinese delegate in reply to remarks made by Mr. Matsuoka, who again had charged that the much discussed Tanaka Memorial had been forged, said that Mr. Matsuoka had forgotten to mention that the policy outlined in that document had been the policy of Japan for the past few decades. Tanaka himself had developed the Japanese positive policy. "Facts speak louder than words. If the Memorial was forged, it must have been forged by a Japanese because nobody but a Japanese could have invented so well a policy which Japan has actually followed in recent years," Koo stated.

Dr. Koo then took up the question of the Japanese Twenty-one Demands and declared that official Japan had at first denied these demands and said they were a Chinese fabrication, but eventually she admitted them to be true. After such an experience China could not help being disturbed by the Tanaka Memorial.

He then touched on the matter of the boycott. He said if the boycott was war in disguise then China would much prefer a boycott by the Japanese to occupation of the Three Eastern Provinces by Japanese troops.

"What is this plan on the part of Japan to assist China to unite? The operations at Shanghai? The bombardment of defenceless cities? Even to-day Japanese forces are fighting the opponents of Manchukuo. One does not help China to unite by separating one of the richest parts of her territory from the central government," declared Dr. Koo. "One does not help a family by kidnapping one of its members," he added.

Four questions were asked by Dr. Koo, These were: Was the September 18 incident in self-defence? Was Manchukuo an expression of the people's free-will? Had Japan withdrawn her troops as promised? And could the dispute have been settled peacefully? To the first three, Dr. Koo said the answer was "No." To the last, it was "Yes."

The Chinese delegate said that he did not propose to touch upon many of the points raised by Mr. Matsuoka as they appeared to be side issues. These would be fully answered in a written statement to the Council in order to save time. He had no intention to imitate Mr. Matsuoka and side-track the main issue. Dr. Koo then quoted Mr. Matsuoka's book, entitled "Manchuria and Mongolia in Movement," in which he says that the alleged memorial was probably forged by Japanese. The existence of the Tanaka aggressive policy was the real substance which mattered, Dr. Koo said.

With reference to the Russo-Chinese secret treaty, which Mr. Matsuoka had mentioned, Dr. Koo replied by declaring that Japan herself had made more secret treaties than was yet known, especially with Russia in 1909, 1910, 1912 and 1916.

Dr. Koo refuted the statement made by Mr. Matsuoka that the people of Manchuria were happier to-day than ever. He quoted the events which occurred on November 9 and 10, 1932, when Japanese airplanes bombed villages and this, he said, was followed by an infantry attack in which several hundred villagers were killed.

Szechuen Troops Fire on Yangtsze Steamers

The s.s. *I-Ping* of Yangtsze Rapids Steamship Company and the s.s. *Fook Yuen* of the Union Franco-Chinois de Navigation were forced to run the gauntlet of heavy rifle fire while operating in the Yangtsze Nov. 23. More than 300 soldiers wearing uniforms of the Nationalist Army fired from the banks of the Yangtsze river above and below Chang-show. Captain Smith reports that the s.s. *I-Ping* was hit about 100 times, inflicting one casualty, a Chinese member of the crew.

China Merchants Loan Scandal

BY PAUL K. WHANG (汪仲芳)

MUCH has already been discussed in the press in regard to the huge loan transaction between the China Realty Company, Fed. Inc., U.S.A., and the China Merchants Steam Navigation Company, but the essential point of the whole unpleasant incident has not yet been fully disclosed. The text of four agreements involving loans of Tls. 30,000,000 has been published, but the whereabouts of 14 checks for Tls. 50,000 each aggregating Tls. 700,000 is yet to be traced. In the absence of one of the parties concerned, it is futile to assess blame on any specific party, whose statements and counter statesments have been so far conflicting and contradictory.

Li Kuo-chieh, the ousted general manager of China Merchants, has been put under surveillance at the Bureau of Public Safety since Nov. 12, and is now being arraigned at the Nantao District Court. Chen Fu-moh, until recently vice-minister of communications and government supervisor of China Merchants, has continued his stay at Hongkong, in spite of his promise of coming to Nanking to assist in unravelling the matter. Unless both Messrs. Li and Chen can be brought together to prove the case, the whereabouts of the missing checks will remain a mystery.

That the China Realty has paid out Tls. 700,000 is a fact now definitely established—at least it has in its keeping a receipt for the amount signed by Li Kuo-chieh. The point of controversy is who has kept this money. In his defence, Mr. Li has said that he had given the money to Mr. Chen in order to induce the latter to give his sanction to these four agreements. So far Mr. Chen, in his statements, has not yet referred to, or denied, the accusation that he had received from Mr. Li fourteen checks amounting in all to Tls. 700,000.

The defence put up by Mr. Li in explaining the whereabouts of 14 checks is hardly tenable. If the loan agreements are legal in every respect, why then should Mr. Li pay a bribe to induce his superior to sign the agreements? In doing so, he can hardly absolve himself from his being guilty of conniving with his superior to cheat the government. Moreover, it is really unthinkable that a man should be so foolish as to issue a receipt for money in which he claims no share at all.

Mr. Chen's sudden departure from Shanghai and his prolonged stay at Hongkong are no defence of his innocence in the case. In face of the serious charge, if he is really as innocent as he professes to be, he should immediately proceed to Nanking or Shanghai to vindicate himself. His persistent absence can not help him to uphold his good name, when charges levelled against him have remained unanswered.

Secrecy Arouses Public Suspicion

The attempt at secrecy in conducting the negotiations and concluding the agreements without the knowledge of the government has enhanced the public suspicion over the good conduct of Messrs. Chen and Li. As reported, Mr. Li, in the capacity of the Chairman of the Board of Directors of the company, suggested last year such a loan to Koh Wei-feng, the then Commissioner of the company, but the latter, for some reason or other, refused to follow his suggestion. When he himself was appointed by the government as the general manager of the company last April, he with the collaboration of Chen Fu-moh, immediately applied himself to the task of realizing such a loan at the earliest possible moment.

As early as last June, rumor was current alleging that the China Merchants was negotiating with the American Dollar Steamship Company for a loan of $30,000,000, one third of which would be employed for the redemption of various obligations of the Chinese shipping firm and the balance for development and expansion; but both parties concerned issued denials of the loan. After the lapse of a few months, in October, reports were again rife that the China Merchants was negotiating with an American financial concern for a $30,000,000 loan in order to refund its old debts and to extend its service. These reports again brought out denials from the authorities of the shipping company, who expressed their personal opinion that the company should not borrow any foreign money.

The loan agreements were signed on Sept. 6, but the government and the public were not made aware of the situation until two months after. The announcement made by the government on Nov. 9 that it would nationalize the shipping company by purchasing off its stocks from its stock-holders was followed by the dramatic transfer of the control and management of China Merchants' Lower, Central, and Eastern Wharves to the China Realty Company. The transfer could have been effected without attracting the public attention, but for the fact that the manager of the mortgaged wharves, in spite of the order of Mr. Li, refused to hand over their control and management to the foreign firm. The wharf workers, upon learning of the transfer, also protested and threatened to call a strike if the mortgage was not cancelled. As soon as the government got wind of the news, it immediately ordered its new appointees to take control of the company and detained Mr. Li for further investigation.

Prior to the announcement of state ownership of the company, the government had already received many complaints as to be mismanagement of the company under Messrs. Chen and Li. Thus in the latter part of October a delegation of nine people was sent by the Ministry of Communications to audit the company's accounts. Its finding may expose Messrs. Chen and Li to new charges which the government will likely institute against them.

The validity of these loan agreements can not yet be established. On the part of the China Realty Company, its bonafides can not be impugned, although it has overlooked the fact that the necessary political procedure must be passed through in order to make any loan agreements concluded by government officials binding upon the government.

On the part of the government, it has its reasons for invalidating the loan agreements, because they were negotiated and concluded without its knowledge and approval. The government was not informed of the contents of these agreements until it had appointed a new general manager. In conducting negotiations of this kind secrecy may be desired by both parties in order to avoid disputes with the other creditors, but there is no necessity to observe such secrecy toward the government. Once the negotiations have been concluded, the public ought to be informed at once of the nature and scope of the agreements.

Moreover, before the ownership of the company is actually purchased by the goverment, the China Merchants will be still a private enterprise, although it has been under government control. In concluding a loan of such a big amount involving the transfer of the company's three Shanghai wharves to alien control, approval must be first obtained from the stockholders of the company. Although he signed himself on the agreements as the Chairman of the Board of Directors, Mr. Li apparantly acted *ultra vires*, inasmuch as he had neither been authorized by the Board of Directors, nor by the stockholders of the company.

Objections to the Agreements

As to the agreements themselves, there are two chief objections which have been generally voiced by the public. First, the China Merchants has possessed the most valuable wharves in Shanghai, and to transfer them to alien control will mar the development of Chinese shipping. For the sake of Chinese shipping in future, these wharves must be kept under Chinese control and management under any circumstances.

Secondly, the rate of discount of the loan (at 85) is unusually high. The government in order to secure hard cash to tide over its financial difficulties may sell its bonds at 40 or even as low as 30, but the debentures of a commercial house with first-class properties as security ought to be issued at 95 or even higher. This high rate of discount can not help eliciting public suspicion over the integrity of the persons who represented the shipping company to conclude such a loan.

Aside from these objections, the agreements themselves must be conceded as a part of a good plan to reorganize the China Merchants. Fundamentally the company is not in a bankrupt state: Its assets are valued in the neighborhood of Tls. 55,000,000, while its liabilities amount to only Tls. 17,000,000. But it has mortgaged all its properties to different banks at a great discount. Because of its inability to pay interest and principal on time, its creditors have refused to advance any more money on its under-mortgaged properties. In view of the remoteness of the possibility of securing

government financial assistance in rehabilitating the company, it has no alternative but to seek a new source from which enough money can be raised so as to effect the release of all its properties from its creditors, thereby enabling the company to dispose of its superfluous landed properties in order to get the wherewithal to buy new ships and to build up new godowns and wharves.

Thus the company is now living under the mercy of its creditors. It goes without saying that the essential step leading to its rehabilitation is to raise enough money on its assets for the purpose of paying off its old indebtedness. Mr. Li may have a good plan to rehabilitate the company, but his irregular and illegal practices in concluding the loan agreements have lent a rather unsavory aspect to his plan of rehabilitation.

Shanghai, Nov. 28, 1932.

Chinese Refugee Reports Rev. Bert Nelson Still Alive

A recent *Reuters* telegram from Peiping stated that uncertainty hangs over the fate of four foreign nationals who have been in the hands of Chinese outlaws for many months. These four foreigners are the Rev. Bert N. Nelson, an American, who has been held captive for more han two years; the Rev. H. S. Ferguson, a British national, who was seized by Communists on May 12; and C. H. Edwards, the British keeper of the lighthouse at Breaker Point, near Swatow, and his Russian assistant, Mr. Andreyanof, who were carried off on the afternoon of February 27 last. A Chinese who was rescued at Chiliping and recently arrived in Peiping stated that he saw Nelson and another foreigner being carried in a westerly direction across the Ping-han railway.

A recent *United Press* telegram from Nanking stated that a soldier of the Shensi provincial guards was reported to have confessed to having had a part in the murder and robbery of four members of the Ekvall party near Sianfu early last June. The arrests and reported confession of the soldier in Sianfu constitute the first definite step toward the unravelling of the circumstances surrounding the death of the travellers on the road to Sianfu. Travelling together to the Shensi capital were Henry Ekvall and W. T. Wang of the China Motors of Hankow, Gustav Tornvall of the China International Famine Relief Commission and Koto Koizumi, Japanese scholar who had been studying the Mohammedan religion in Kansu province.

Lieutenant Robert H. Soule, assistant military attache at the United States Legation in Peiping, made a trip to Sianfu, but he was unable to find traces of the men, their motor car, or the $20,000 in gold dust and silver which Mr. Ekvall is said to have received in payment for the sale of cars in Kansu. Major O. J. Todd, chief engineer of the Famine Commission, and G. Findley Andrew went over the ground on August 11 with Lieutenant Soule. The group called upon Yang Hu-chen, the provincial chairman, and satisfied themselves that he knew nothing of the crime.

Relief Workers Charged with Embezzlement

Four Chinese officials of the National Flood Relief Commission were charged at the First Special District Court in Shanghai last week by the Anhui Residents' Association of Shanghai with embezzlement and malfeasance in duty. Hnndreds of local Anhui residents and representatives of Chinese charitable bodies packed the court-room while the case was being heard. Yang Hsucheng, formerly of the commissary division of the National Flood Relief Commission, was further charged with having caused, through the exercise of his influence as a transportation official of the Flood Relief Commission, a suspension of the relief wheat transportation from Pukow to Pengpu in January, resulting in the death of hundreds of flood sufferers of north Anhui; also that he had reaped huge profits by buying the relief wheat from the National Flood Relief Commission at a low price and then re-selling it to the flood sufferers at a higher price.

Li Ching-shan, representing the complainants told the Court that in February, March and April last, Yang purchased from the National Flood Relief Commission 11,900 tons of American wheat at a price of $80 a ton or less than that and then re-sold the cereal to the flood sufferers at a higher price. In support of their allegation, the complainants produced in the Court a copy of a contract allegedly entered into between Yang and the National Flood Relief Commission for the sale of the wheat.

The defendants absolutely denied the charges brought against them. The trial of the case is still proceeding.

Dr. David Z. T. Yui Lays Wreath on Robert Dollar's Tomb

Another important step toward strengthening the bond of friendship between the peoples of China and the United States was taken the other day when Dr. David Z. T. Yui, General Secretary of the National Y. M C. A. of China, laid a floral wreath on behalf of the Chinese people at the tomb of the late Captain Robert Dollar at San Rafael, the home town of the "Grand Old Man of the Pacific Coast." A simple but impressive ceremony immediately followed the placing of the wreath, at which Dr. Yui paid a high tribute to the "Old Captain." "This time," Dr. Yui said, "I have travelled thousands of miles across the Pacific Ocean to pay our highest tribute to the late Robert Dollar not only because of personal friendship which was rich and profound but also on behalf of his multitudes of friends in government service, in industry, in commerce, in education and in religion in China. Mr. Dollar is widely known in our country as the 'Grand Young Man of America.' In China human life is measured in terms of sixty-year cycles. Mr. Dollar was in the prime of his second cycle but he worked even more energetically and untiring than most young men in the prime of their first cycle. Hence this most appropriate honorific for him."

U. S. Fleet Maneuvers in Pacific Will Start January 23

Japanese newspapers recently have been giving great prominence to the news from San Pedro that the American naval grand maneuvers will again be staged on the Pacific in 1933. Ever since the entire American fleet was shifted to the Pacific the Japanese public has displayed keen concern in the movements of the U. S. Fleet.

Admiral Leigh, commander-in-chief of the United States Fleet, in announcing plans for the 1933 war games recently, said that waters between California and the Hawaiian islands will be the scene of the closest approximation to a great overseas campaign ever attempted by a modern fleet. Combined operation of the Atlantic and Pacific Fleets, he stated, will begin on January 23 when a scouting force sails for the Hawaiian islands and end on March 31 when the scouting force returns to the home base in the Atlantic. Admiral Leigh added that the principal problem will be defense or capture of the Pacific Coast and the manoeuver will involve 167 surface craft and 250 aircraft and the gigantic dirigible *Akron*.

Nanking Objects to Asia Electric Company's Activities

Steps are being taken by the Ministry of Communications to stop the unauthorized operation of radio communications in China by the Asia Electric Company of Shanghai, an American corporation.

The company in question, is stated to be installing a direct radio telephone service with its branches in Hongkong, Canton and Macao without license or authorization from the Government. A *Kuo Min* message states that such actions constitute an infringement of the territorial rights of the country. The Ministry of Communications has requested the Ministry of Foreign Affairs to protest to the America an legation. Instructions have also been despatched to the Shanghai and Canton Municipal Governments to take adequate steps to curb the activities of the Asia Electric Company.

Public Sale of Opium in Kiangsu and Kiangsi

The National Anti-opium Association of China last week issued a circular declaring that opium has been sold in public in Kiangsu and Kiangsi in open defiance of opium suppression acts of the National Government. The Association further charges the Kiangsu Government with banning anti-opium news and advertisements. The local censorship is strongly criticized for encroaching upon the people's right of free speech and free press. The circular is signed by Garfield Huang, general secretary of the Association.

A bomb was found in the house of Garfield Huang, secretary of the National Anti-Opium Association, in Kiaochow Road, Nov. 25. Mrs. Huang discovered the parcel at 5.30 p.m., lying on a table in the hall. With it was a letter, which is believed to have made threats, and which stated that the parcel contained a bomb.

Most Japanese Approve of Roosevelt---But Military Skeptical

(From the Review's Tokyo Correspondent)

(Translations from Various Japanese Publications)

Favorable to Japan's Foreign Trade

Tokyo Asahi, Nov. 10 (Editorial comments:) The overwhelming victory of the Democratic Party this time can be traced to the depression dominating the United States. It will be recalled that it was only seven month's after President Hoover's declaration assuring the people of the rocklike foundation of American prosperity that the present depression which made the Hoover Administration the target of public censure, began to be felt in October of 1930. Besides the above we may count among contributing factors in Mr. Roosevelt's success the clear-cut policy of the Party on the Volstead Act and the tariff question, combined with the excellent record achieved by himself as Governor of New York State.

What concerns us most is the tariff question and the Far Eastern policy of the new Administration. Since the tariff reform was promised in his campaign speeches we may rest assured that he will come forward to lowering the tariff wall and conclude agreements with other countries to seek for more outlets for American products. This gives us a new hope that under the new Administration Japanese goods will be placed in a more favorable position than they have been under the Hoover Administration. As regards Roosevelt's Far Eastern policy, all that the Democratic Party is to uphold is the Kellogg-Briand Treaty alone, in sharp contrast to the polygonal positive policy of the Hoover Administration. In the light of the official declarations made to Japan in 1915, 1917, and 1921 we understand that as to Sino-Japanese questions the American Government should not deviate from its established standpoint. Yet in practice the Democratic Party which upholds the principle of anti-imperialism and places much more importance on internal government than on diplomatic activities, draws a line of demarcation between the Republican diplomacy and its own. Besides, what we must point out here is that the Democratic policy on the Far Eastern problems will depend largely upon the policy of the Secretary of State.

We hope the new Administration will cut open a new field for the smooth solution of the Manchurian problem.

New Administration Will Improve Japanese-American Relations

Tokyo Nichi Nichi, Nov. 10 (Editorial comments): The deep-rooted depression in which the United States finds itself is mainly responsible for President Hoover's defeat in the election. Despite Mr. Hoover's promised prosperity in 1928 the United States, which had been regarded as the paradise of the world has come to see enormous numbers of jobless in consequence of the financial situation yearly growing worse. In view of these adverse circumstances the American people, taking advantage of the election, have effected a complete change in the political situation.

The present depression being the cause of the defeat of the Republican Party, Mr. Roosevelt and his Administion will do their utmost to restore prosperity in America. As was severely criticized by Newton D. Baker the high tariffs adopted and revised upward by President Hoover, are considered by the Democratic Party as having been detrimental to the foreign trade of the country and one of the main causes of the depression. The Democratic Administration, therefore, will endeavor toward lowering the tariff for the stimulation of foreign trade, according to the traditional liberal policy of the party.

As regards the proposed abolition of the probibition law it is certain that the law will sooner or later be abolished to see the brewing industry enjoying prosperity.

The Democratic Administration will modify Republican policy with a view to improving the situation of agrarians, small and medium-sized businessmen and industrialists, hoping thus to stimulate finances in America.

Both from the viewpoint of our national economy, which is extremely sensitive to the American economic condition and of our diplomatic standpoint, it will not be wide of the mark to anticipate a more favorable situation with the Democratic Party in power. It is true that Mr. Baker, who is a member of the party, at the time of the Shanghai incident fanned the boycott against Japan, but it is also true that he did not approve of Hoover's Japan policy as being too deeply involved. The fact that the Hearst papers, which while strongly supporting Mr. Roosevelt's candidacy, advocated a non-intereference Far Eastern policy, suggests that the Roosevelt Administration will not adopt such a strong policy as has been followed by Secretary Stimson.

In the light of the foregoing we trust that the delicate Japanese-American relations will be restored to its status before the Manchurian Incident with the Roosevelt Administration in power.

League of Nations Satisfied

Osaka Mainichi, Nov. 10 (Editorial comments): What concerns us most is the possible influence of the election result upon the economic and diplomatic policies of the United States. If the Democratic Administration means to abide by its traditional policy of low tariff, it may initiate a new epoch in the international tariff situation. Japan will receive no small benefit from it.

Inasmuch as America has a fixed Oriental policy, which does not permit radical fluctuation through the change of administration, it is not likely that the new Administration will pursue policies greatly different from those of its predecessor. It is nevertheless probable that the Democratic Administration will be scrupulous not to imitate Stimson's foreign policy.

The result of the Presidential election must be a cause for no small satisfaction to the League of Nations circle. There will now be strong likelihood of a close rapprochement between America and the League of Nations. While the prospect of the United States joining the League is still remote, the closer affinity of these two is a matter for gratification as promoting the peace and welfare of the world. To this and to many other questions, the political land-slide in the United States promises to give a different countenance.

Military Authorities Expect No Immediate Improvement

Tokyo Nichi Nichi, Nov. 10: The Military authorities of our country are understood to make the following observations on the election result:

"The Democrats' success in the Presidential election this time may mean the downfall of the Stimson diplomacy which since the outbreak of the Manchurian Incident has assumed stubborn opposition against Japan's Far Eastern policy, but we are not yet sure whether the Democratic Party will come forward to recognize our standpoint and contribute to the continued peace of the Orient.

It appears that the Manchurian question, being utilized by the election campaign, has failed to receive fair, unbiased judgment from Americans. During the campaign the Manchurian question has almost been monopolized by President Hoover and no reference to it was made by Mr. Roosevelt as far as we are informed. This fact may be said to indicate the latter's being placed in a freer position than the former in regard to the question. As regards the League we are still unable to fathom the degree of the change to be made in the policy of the new Administration. In America as in other countries questions concerning diplomacy and national-defence rise above party strife, and we do not expect that in this respect a material alteration will be effected by a ministerial change.

Foreign Office Desires Remodelling of Its American Policy at this Juncture

Chugai Shogyo, Nov. 10: We are informed that our Foreign Office taking advantage of the change of the foreign policy of America in consequence of the late Presidential election, designs to effect a sweeping renovation of the Japan-American relations, which have grown dangerous since the outbreak of the Manchurian Incident, and thus it hopes to place our diplomatic policy on a sounder basis. In our Foreign Office they maintain in this connection that it is quite obvious that as long as the American Government adheres to Stimson's intimidatory anti- Japanese policy there could be no hope for any betterment of diplomatic relations between the two countries, and it is most advisable to utilize the new Administration's liberal and conciliatory principle to rebuild Japanese-American relations. Since the improvement of the international friendship depends upon mutual understanding we expect

much of Ambassador Debuchi who is returning to his Washington post. Inasmuch, however, as the Ambassador has lost no small credit with the American public consequent upon the Chinchow incident we understand that a wholesale shift is expected among higher officials of the Foreign Office about the time when the new Administration is in power.

Good Influence on the Financial World

(By Mr. Hijikata, President of the Bank of Japan)

Nippon Shimbun, Nov. 10: We are not at all surprised to learn of the success attained by Mr. Roosevelt in the election, for it was already suggested during the election campaign. It is nevertheless true that the American Presidential election has been drawing keen attention from all corners of the world. Since the Presidential election must shoulder at least part of the responsibility for putting off the formation of the League's attitude toward the Manchurian issue, the due development of the War Debt question which constitutes a world's economic cancer, and the International Economic Conference under contemplation, the fact that it is now a thing of the past deserves our congratulation irrespective of which was the winner. This is also the case with America because its financial condition will return to its regular function to take up the most important question of how best to cope with the depression. We are not yet in a position to give a concrete view on the new Administration, for it is after March 4 of next year that its policy is actually to see the light. The question now confronts us is who will be appointed Secretary of the Treasury and Secretary of State. As it is almost a foregone conclusion that Colonel Stimson will vacate his chair, we imagine that we may not be subjected to further irritation concerning the Manchurian problem. Thus, with our country as its centre, the world's diplomatic circles will receive more light of hope—which, I hope, may in turn to lead to an unanticipated recovery of world business activities.

Phenomenal Collapse of Republican Party and Future Far Eastern Policy of America

(By ex-Minister Kumaichi Horiguchi)

Nippon Shimbun, Nov. 11: The Republican Party may have several reasons for its miserable defeat this time, but there is no doubt but that its diplomatic failure constitutes one of the most important causes. Colonel Stimson's enthusiastic adherence to his strong Far Eastern policy must have invited the nation's antipathy. Stimson's policy is based upon pure theory in disregard of facts, perhaps for the reason that he is of jurist origin. In reading the so-called Stimson Doctrine we understand how he founds reason upon vapor-like theory in utter disregard of facts. The officious diplomatic policy of Secretary Stimson is the traditional tactics of the Republican Party, and this roused the national ill-feeling.

Besides its misdirected displomatic policy the Republican Party, as is evidenced by the unreserved attack of the press against it before the election, has accumulated a number of maladministrations during its twelve years' government, so that it has nearly completely lost the trust of the nation.

In thus tracing the causes of the defeat of the Republican Party and studying the traditional administrative policy of the Democratic Party, it is not at all hard to imagine what the latter's policy ought to be. The most important change expected is that the new Administration will concentrate all of its energy upon reconstruction work at home. What concerns us most, however, is its foreign policy.

Since Stimson's foreign policy invited ill feeling of the nation and partly contributed to his party's ill-luck at the election, we may safely presume that a change will be effected in America's Far Eastern policy with the Manchurian question as its centre. In this respect we hope we shall find a more favorable situation than at present. By this, however, I do not mean that we may expect a change in the fixed national policy of America. If the United States decides to hold up the Nine-Power Treaty and Anti-War Pact as her State policy, we must be prepared to find her sticking hard to them under one pretext or another. Yet, it is not unthinkable that the new Administration will refrain from repeating the Stimson policy in regard to the Manchurian and League questions.

In surveying the hereditary diplomatic policy of America we find her quite skilled in making preliminary moves. As it is her usual practice to fall back upon old deeds, we are very much mistaken if we regard the success of Mr. Roosevelt as causing us a diplomatic burden in future. It is not only in the direction of diplomacy but of everything else that no related mind is permitted and no optimism is allowed. Among us Japanese there is a tendency that an optimistic view on the future development of the League and Manchurian questions grows with the success of Mr. Roosevelt. This is a serious mistake.

Japanese-American Relations and the Presidential Election

(By Ryukichi Takagi, Mitsui Bussan K.K.)

Jitsugyo-no-Nippon, Nov. 15: Secretary Stimson has repeatedly stimulated the enmity of the Japanese by assuming a strong attitude and making pronouncements unfavorable to Japan, thereby spreading his own unpopularity among the Japanese. I had a talk with him for hours, and I found him quite a good-natured man. It seems that this very nature of him makes him unrestrainable once he is vexed.

He well digests the special nature of the relations between Japan and Manchuria. The Japanese army attacked Tsitsihar and Shanghai after making it known that its action was to safeguard the S. M. R. Lines. This fact displeased Stimson and applied a match to the controversy. At the time when the Shanghai incident broke out the excitement of the Americans was at its zenith, even such an extreme attempt as boycotting Japanese goods being threatened. This clamorous anti-Japanese agitation was incited partly by the murderous depression against which the whole of America stood up to fight.

When the Manchurian incident broke out Japan ought to have notified the League of Nations of her own strong attitude to be taken thereafter and of the special interest she had in Manchuria. Britain prevented herself from being involved in a troublesome aftermath by reporting to the League the detailed account of her standpoint at the time of the Shanghai anti-British trouble.

There are those Japanese who hold pessimistic views on the Democratic Administration on the ground that its diplomatic policy shows little friendliness towards Japan. But when we turn back and see what a disadvantageous position we have been placed in through Stimson's Japan policy we cannot imagine worse developments of the situation under the Democratic Administration. And what is better still, we understand it is a Democratic traditional policy not to interfere with foreign affairs. Therefore, it seems to me things will rather improve than remain stationary with the Roosevelt Administration in power.

The national traits of Americans unlike those of old countries such as Britain and France, are simple and lovable though not without a tinge of nouveau riche and haughtiness to match. Japan's American policy should in future be to sell as much as possible under the cover of condescension, taking advantage of this very loveable haughtiness of the people of America. (Mr. Takagi stayed long in New York as the branch manager of the Mitsui Bussan Kabushiki Kaisha).

Roosevelt Will Not Be Hard on Japanese

(By Jiromasa Gunshi)

If Hoover were to remain in his position the irritating sentiment of the Japanese toward his diplomacy would never he abated, because in that case Japan would have to keep harboring a grudge against Secretary Stimson's stubborn misrepresentation of our country.

The American individualism can not afford to be disturbed by such a question as Japan's recognition of Manchukuo, which has no direct bearing upon the people of the country. What they really grudge is the depression which has deprived them of their easy life and not things which have no direct touch with the conditions of life within the country.

As was declared in his campaign speeches Roosevelt's economic policy, being based upon starting economic revolution by completely reconstructing the existing economic policy, before dabbling in foreign relations he is duty bound to be absorbed in performing surgical operations on the body of Great America. Thus we have cogent reason to believe that the success of Mr. Roosevelt will contribute to bettering international relations and naturally her attitude toward our country may become milder. Here lies the essential difference between a social democrat like Mr. Roosevelt and an imperialist Mr. Hoover. Hoover sitting on the frame-work of an imperialistic economic system serves as the head-clerk of the American plutocracy, and had he been successful in the Presidential election the outbreak of another World War as a natural consequence of his endeavour to restore business activity in the country might have been unavoidable.

The Sino-Japanese Crisis in World Politics---A Retrospect

BY YUEN-LI LIANG, LL.D., J.S.D.*

PROBABLY no single event or course of events in the past decade has stirred the passions and anxieties of the world to the extent the Sino-Japanese crisis has done. It is the writer's aim to signalize certain phases of the situation, the importance of which he deems deserving of more discussion than they have received. When the attack on the city of Mukden on the night of September 18, 1931, burst upon a startled and incredulous world, the League Assembly was in full session. Had the League acted speedily, whether by way of a definition, as a matter of law, of the reciprocal relation of Japan and China with reference to their membership in the League, or by way of the application of provisional measures, world opinion would have been early crystalized in a much more potent form against wanton aggression.

Failing in the first instance to act quickly, the League next embarked on a procedure of diplomatic attrition. The charge has been made that one of the leading Powers represented on the Council, allegedly the closest to the League, namely, France, had secret understandings with Japan which had so tied its hands as to make it unable to place itself on record as against Japanese ventures in Manchuria. However, unless documents are uncovered, it might not be wise to reach an affirmative verdict, at least not by a historian. But from the ideological point of view, at least one thing is certain. Upon the inception of Japanese intervention in Manchuria, France found itself caught in an inextricable dilemma. Since the inauguration of the regime of the Versailles Treaty, it has held an ambivalent attitude in regard to the question of intervention. One aspect of French nationalism depreciates aggression and armed intervention as a principle while another compels its adoption as an instrument of national policy. On the one hand, France stands in perpectual and perhaps hypochondriachal fear of "unprovoked attacks" or aggression from across the Rhine on the part of its traditional enemy, Germany; hence the repetitious insistence on Security in connection with Disarmament. This also explains the enthusiastic support in principle, on the part of France, of the collective system of coercion as envisaged by the League Covenant and its recent reiterated and strenuous proposal for an international police force.

Great Britain as the Embodiment of Imperialism

The attitude of Great Britain toward Japanese intervention in Manchuria deserves close analysis in view both of the predominant part Great Britain plays in the League and of the historic importance of British relations with China. It has been remarked, and rightly, that what the League Council did was primarily the result of the attitude of Great Britain and France. Students of Far Eastern diplomacy will easily recall that Great Britain was the first Western Power which fought a modern and crushing war with China from 1839 to 1840, at the conclusion of which certain privileges were wrung by treaty from the latter and following which China was subject to a scramble among the Western Powers for privileges and concessions, territorial, jurisdictional and economic. In the parlance of the Chinese Nationalists, Great Britain was the embodiment of Western Imperialism in China. If one refers to the state papers issued by the Nationalist Government particularly during the years from 1925 to 1927, one will find that Great Britain was designated as the principal enemy, the incubus from which the Nationalists were determined to liberate their country. Naturally, their attitude produced its repercussions on the part of Great Britain: the latter was also determined to save at any cost its stronghold in the Far East. Unpleasant and unfortunate incidents signalizing the clash between the two opposing forces multiplied with the increase, in every episode, of mutual antagonism. The Shanghai incident of May 30, 1925, when Chinese students were shot down by British police in Chinese territory was immediately followed by similar occurrences in Hankow and in Canton. They were in turn aggravated by the Wanhsien incident of 1926 when the Chinese city was bombarded by British gunboats. The Chinese nation trembled with impotent indignation at the refusal of the British Government to settle these incidents diplomatically and resorted to the boycott of British goods as the only measure of retaliation. These worsened relations between the two countries reached their climax when the Nanking incident took place in the spring of 1927, an incident of most grave proportions, which, while its responsibility has never been juridically determined, has furnished an occasion for vehement political recriminations nationally and internationally. It is an open secret that Great Britain was most anxious to enforce a large-scale armed intervention in China, with the United States, Japan, France, and Italy as joint feasors. It is likewise well-known that only the sagacity and reasoned statesmanship of a Secretary of State of the United States saved at the eleventh hour the Powers from a most ill-advised venture with necessary far-reaching consequences.

It will be remembered also that, despite repeated assurances that the Nationalist Government would not use force to secure the revision of treaties, Great Britain, with a view to preserving its position in the International Settlement of Shanghai, sent there Punjabi troops from Hongkong, and ordered a brigade from Jhansi to embark at Calcutta, and landed marines from the warships concentrated in the Shanghai Harbor. It was only by sheer good fortune that no untoward incident of serious proportions occurred. A little spark might have set off the powder magazine the British Government installed in Shanghai.

Since 1927, however, domestic politics has deflected the attention of the Chinese from pressing diplomatic issues with Great Britain. The discussions on the so-called Unequal Treaties have pursued a course dilatory indeed, but irritating to Great Britain, holding as it does, the leading position among the Powers having special interests which are generally based on these Treaties.

Scuttling the Covenant

It is easy to see how the British Government, as a writer in the *Manchester Guardian* puts it, inspired a scuttling of the Covenant, when faced by Japanese intransigeance and insistence on having a free hand in Manchuria. The British Government, principally, and other members of the Council, began a game which was destined to interpret away the Covenant and explained to their own satisfaction why it was constitutionally impossible to curb Japanese aggression. In reply to the Chinese request for a Committee of Enquiry based on Article 5 of the Covenant, which categorically says that all matters of procedure, including the appointment of committees to investigate particular matters, may be decided by a mjority vote, the objection was raised that a *decision* to appoint a committee required a unanimity including the parties to the dispute. The Chinese invocation of Article 15 was confronted by the argument that while under this article the Council could, it is true, appoint by a majority vote a Committee of Enquiry, it could not take general measures for preserving peace as it was empowered so to do under Article 11. When the Chinese invoked Article 11, they were told that as the measures for the implementation of the Article, such as the withdrawal of diplomatic representatives and boycott, could not be taken without the consent of both parties to the dispute, the Council could do nothing but talk. And the suggestion as to invoking Article 12 and 16, where the word "war" is used, was met by the argument that there was in Manchuria no state of war in the lawyer's—as distinguished from the layman's—sense of the word. Article 10 guaranteeing the states against external aggression in regard to territorial integrity and existing political indepedence was so construed as to exclude from its application the invaston of territory unaccompanied by a declaration of the intention to acquire territorial gains by conquest. Whether such a professedly legalistic interpretation of the word "war" as well as the interpretation of the unanimity rule as requiring the vote of the disputant parties, are creditable to the galaxy of jurists gathered at Geneva and whether in view of the social purpose of the Covenant reasonably construed, such interpretations are truly legalistic, it takes another article to inquire in detail. It suffices to indicate in this connection the extent to which the British Government and the other members of the Council would go in their effort to construct a subterfuge that would for a time justify to the uninformed and uninitiated their reluctance to live up to the pledges of the Covenant. The British condonation of Japanese aggression was never more patently demonstrated than when Downing Street refused to join in the policy of the United States not to recognize Japanese acquisitions, as expressed by Secretary Stimson in his note of January 7, 1932.

The Chinese Government has indeed to share a part of the responsibility for the aggravation of the crisis since the

*Formerly Judge of the Court of Appeals at Shanghai.—Extracts from an address delivered before the Double-Ten National Anniversary Day Meeting held under the auspices of the Chinese Community of Greater Boston, October 9, 1932.

very beginning. When China was suddenly confronted with the Japanese occupation of Mukden on September 18, 1931, and when an urgent appeal was presented to the Council of the League of Nations, it awakened, to its discomfiture, to the fact that only one full-fledged diplomatic representation was available in Europe. And this diplomat had to be occupied strenuously with the pleading of its case before the League Conucil. It had no representative of Ministerial rank in France, in Germany, nor in the other European countries. There was no plenipotentiary in the United States nor in Soviet Russia. Thus handicapped' China found it difficult to arouse public opinion abroad or to inform the various governments of the designs of the aggressor and the painful patience with which it had awaited a peaceable settlement of the controversy.

While the attitudes of all the other Great Powers were consistent from the beginning of the crisis up to the latest phase, that of the United States underwent several tactical changes. And this is not surprising in view of the traditional policy of the United States. The significant thing is, however, that the most professedly isolationist state in the world has assumed the role of the guardian of international peace. Secretary Stimson since the inception of the Manchurian intervention has entertained no doubt as to the violation by Japan of all the applicable international treaties for the preservation of world peace in general and the stability of the Far East in particular. He has been aware of the fact that the changing and the changed conception of international law has necessitated a reevaluation of time-worn and weather-betaen concepts. An international conflict is no longer deemed the concern only of the parties to the conflict. "An act of war in any part of the world is an act that injures the interests of all the countries."

America and the League

The authorization of Prentiss Gilbert by the American Government to sit at the Council table of the League last October was a remarkable departure from the American practice of the days when the Administration went so far as to refuse to have anything to do with the League.

The American support of international peace, although it met with a set-back on account of the non-participation of General Dawes in the Council Meeting of December, 1931, was revived with the note of Secretary Stimson on January 7. In spite of its categorical language, registering American protest against actions in violation of the Pact of Paris and the Nine-Power Treaty, it did not stay the Japanese invasion of Shanghai.

The importance of the note is however distinct from its practical utility. In the first place, it was a definite and unequivocal challenge to the League Powers—a challenge to which unfortunately the latter failed to respond. In the second place, it served a notice to the aggressor that the organized society would refuse to recognize any gains acquired by illegal methods.

The refusal of other Powers to recognize "Manchukuo," as they are bound to refuse by their pledge before the League Assembly last March, will have the effect of making the puppet government so uncertain and tottering that its lease of life can hardly be perpetuated. The effectiveness of the weapon of non-recognition has been shown in the case of American refusal to recognize the regime of General Huerta in Mexico and in many other instances in Latin-America. The effectiveness must be increased if the whole world puts the impress of disapproval on the act of recognition by a state in violation of international law.

Tientsin Chief of Police Arrested by Peiping Authorities

Col. Wang I-min, Commissioner of Public Safety for the Tientsin Municipality, was detained by the Peiping authorities end of last week on charges of corruption upon his arrival last night. Acting upon the orders of General Chang Hsueh-liang, three deputies representing the Peiping Political Affairs committee, the Hopei Provincial Government and the Peiping branch of the Military Affairs Commission are now jointly conducting an inquiry in Tientsin in regard to the charges preferred against Col. Wang by the public. It is alleged that during his one year in office he has embezzled public funds to the amount of half a million dollars.

In the meantime, Col. Ning Shang-nan, Head of the Second District branch of the Peiping Bureau of Public Safety, has been appointed acting Commissioner of Public Safety for Tientsin.

Trade Better in Chihli---Students Study in Foochow

In the course of a survey on conditions in China, the *North China Daily News* (Shanghai) of Nov. 25, discussed conditions in the province of Chihli, concerning which, among other things it was stated that "judging from the display in city shop windows, trade is much better than a year ago and great crowds at the autumnal fairs were spending freely, always the proof of a good harvest and peaceful conditions. The people continue friendly and respectful as before; indeed, the only cause for complaint has been the rather truculent behavior of a few of the Fengtien troops, now garrisoning this important centre. . . A recent flying trip to three or four countries, chiefly Hsienhsien and Hochien to the west and north-west of Tsangchow, provided an insight into the conditions of the countryside. Great interest and excitement have been aroused by the reports that at long last the Tsangchow-Shihchiachuang Railways is to be built by French and Belgian engineers with foreign capital. The earthworks for this important line, linking up the Peking-Hankow and Tientsin-Pukow Railway, were constructed as a measure of famine relief twelve years ago. Although the embankment for several miles was honeycomed with trenches during military operations four years ago, for the most part it is intact. The work should be rapidly completed when once a start has been made. . . . It has been depressing to find that the 'Pao Wei T'uan,' or official police, supported by direct taxation for the protection of villages, are utterly inefficient, as poor a lot of defenders as you could find anywhere. There are units of these police in every market centre but one cannot resist the strong suspicion that they are in league with the bandits."

Conditions in Foochow

The *North China's* correspondent at Foochow reported that "banditry has undoubtedly been on the wane during the last year or two. The Communist menace in the N. W. and West is, of course, a special problem in itself; but the latest reports seem to show that the situation is greatly improved. The Army is taking over more and more territory, and the Communists are retiring. Moreover, steps are being taken to redress the grievances which have often thrown the common people into the arms of the Communists. . . . Road-building projects are being pushed on, slowly is true, and yet steadily. If only the problems of finance can be solved, roads will soon be completed in many directions ... In education there has been real advance, Government schools are definitely on the up-grade, and soon they will no longer have the reputation of being the worst in China. Progress is seen both in scholarship and discipline. The work of Ch'eng Shih-kuei, the Educational Commissioner, is beyond praise. He has encountered many difficulties and has made himself thoroughly unpopular in many quarters, but his personal example of unremitting hard work and his determination to improve the Government schools, are bearing fruit. There is a commendable diminution in the susceptibility of students to political and other agitation. Public demonstrations, and even holidays, have become amazingly rare, and, hard as it is to believe, there is actually a tendency on the part of the students to study!"

Foreigners at Harbin Complain Against Japanese Discrimination

Complaints of discrimination in the use of radio, telegraph and cable facilities in Manchuria are being voiced by foreigners in Harbin and Mukden, according to messages received in Tokyo recently during the past few days. They claim that the Japanese are monopolizing the facilities, seriously interfering with the use of them by nationals of other countries. The Japanese have established their own telegraph office in Harbin, in a new building with some new equipment, one foreigner writes, but the main facilities have been taken over from the former Chinese station. The routine is described as identical with that in telegraph stations in Japan. The forms are headed with the words "Imperial Japanese Telegraphs," payment is exclusively in yen and the regulations are those of the communications bureau of the Kwantung Government and the Tokyo Ministry of Communications. Formerly Harbin was notorious for bad telegraphic and cable service, but messages were sent both day and night. With the exception of the facilities given to Japanese, foreigners say, the service is much worse than during the days of Marshal Chang Hsueh-liang. A similar situation is said to exist in Mukden.

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Why Japan Will Fail in Manchuria

BY JOHN KULLGREN

OVER a year has passed since the first shots, which started the Sino-Japanese conflict, were fired at Peitaiying outside of Mukden. But so far there are no signs of a settlement.

On the plains and in the mountains north of Harbin there still remain some scattered Chinese volunteer corps under the leadership of General Ma Chan-shan, who carry on a desperate resistance against the alien invaders. Japanese infantry forces have suddenly been overtaken by cavalry from General Ma's division, which at a flying speed have made their way down to their posture of defence and sent a hail of bullets into their camp.

But as suddenly as they came they disappeared again, engulfed by the endless plain. Sometimes a horse was shot down and the trooper taken captive and coerced into disclosing the lurking place of the dreaded general. But when a Japanese squadron arrived at the spot his camp was abandoned and the track of the steeds led out in all directions. . . .

Ever since the battle at the Nonni River and Tsitsihar, when the name of General Ma Chan-shan gained World-wide fame, he has carried on an unabating war in the north of Manchuria.

In the West alarming war clouds are drifting together. The most sensational incident during the past weeks has been the seizure of the western section of the Chinese Eastern Railway by insurgent Manchukuo troops under command of General Su Ping-wen.

On the border of the province of Jehol Chinese and Japanese troops are facing each other. Jehol is a part of the great north-eastern China and its incorporation into the newly-founded Manchurian state will prove to be inevitable. Japan needs Manchuria, Manchuria needs Jehol. . . China is expected to make new assignments!

Every day brings news of repeated encounters between Chinese and Japanese forces. After one year of useless attempts to restore peace and order the Japanese now contend that the root of the evil is no longer to be found in Manchuria. The activities of the Chinese volunteer corps are supported and directed by various organizations in China Proper. Hence it is pregnant to enforce an effective watch of the western border. Once this is attained the anti-Manchukuo movement is doomed to come to a stand-still for lack of funds.

For the impartial observer the Manchurian conflict is assuming the appearance of a tragi-comic spectacle. Despite the manifest evidences of the impossibility of compelling Manchuria's 30,000,000 inhabitants to submit to the rule of an alien people, the Japanese tenaciously insist on pushing the original scheme of conquering north-eastern China.

Power of Resistance Remains Unimpaired

The military organization in Manchuria built up by the powerful war-lord Chang Tso-lin, who was murdered in 1928, and which was completed by his son Chang Hsueh-liang, was shattered by the first advancing Japanese army of occupation. Yet, the country's power of resistance remained unimpaired. Voluntary money contributions poured in to the Central Government at Nanking from Chinese at home and abroad, who demanded that the struggle to regain the lost territory should be carried on at any cost. Young men from all over China went up to Manchuria where they organized volunteer corps together with native peasants and laborers and opened a guerilla war against the combined Japanese and Manchukuo forces. So far they have succeeded in frustrating every attempt to establish even a resemblance of peace and order in the occupied country.

The Manchukuo army, which was organized by the Japanese at the time Manchuria declared its independence, consists of soldiers who remained behind when the troops of the old regime retreated within the Great Wall. This army has proved to have little understanding of the aims and attempts of the newly-established state and constitutes in fact as great a menace for the success of the Japanese scheme of aggression as the unexterminable "bandits." When supplied with arms and ammunition and ordered on a campaign against the volunteer corps they have often made common cause with their compatriots and those who remain loyal offer but feeble resistance.

How long the Japanese people will endure the continued adversities in Manchuria no one is likely to know. The writer gives them credit for their patience, though he must confess that he has little belief that patience will ever turn the trend of events to Japan's advantage.

According to Western concept the Chinese are almost completely lacking in patriotism. The need of effective modern communications has divided the country into a number of small units in which local problems have absorbed the interest of the people. Provincialism has been the characteristic feature in China's political life throughout her entire history. To break down this barrier against nationalism and democracy, which is the principal aim of the National Government, is a task which only can be achieved by slow degrees.

In spite of this, however, the Chinese are amongst the most race-conscious people in the world. The unity of China has always been a racial unity rather than political. Foreign invaders have conquered the country and for centuries have been able to retain the supreme power. But while the Chinese have subordinated themselves to the nominal rule of aliens they have never tolerated the introduction of their political and social system.

The All-Pervading Chinese Culture

In a few decades the spirit of the Chinese culture has permeated the less civilized foreign invaders and they have been assimilated with the Chinese people and lost the fundamental characteristics of their tribes. Thus the Chinese culture has extended the boundaries of its influence and smoothed out the original differences between the tribes.

Political dissensions have caused as much disunity in China as in Europe. But while in Europe this has resulted in the formation of a number of states in which the spirit of nationalism has been developed to the extent that the interest of the race has been sublimated, in China the interest of the race and the will of preserving its unity has ever been the all-dominating force.

A northern Chinese will expound the faults and short-comings of his brother from Canton. Yet, he will be thrown into a rage of fury if he hears an affront against the Chinese race. The civil wars in China have partitioned the country into a number of semi-independent states, many of which only nominally adhere to the Central Government. But the tendency in China's political life has never been to divide the country in order to establish national units which cease to recognise themselves as a part of the Chinese nation and the Chinese people.

A military governor of a Chinese province may ignore the dictates of the Central Government without causing any serious political rupture. As long as he retains his military superiority the people of his province will patiently acquiesce in his rule. But were he to initiate an independence movement with the view of founding a new nation in name and in purpose, he would fail to find further support from his people. No one would consider such an aim desirable.

The Chinese Political Edifice

It has been said that China is not a nation and that the true import of nationalism consequently can never be understood by the Chinese people. The country is too vast and the disparity of peoples in different parts is too great. China's political problems will be solved aright when these circumstances are openly recognized and China is divided in as many nations as there are natural dissimilarities dividing the race.

If this conception were right China would have been divided into national independencies several thousand years ago. The Chinese race is as much the result of a crossing of breeds as the white race. The influence of the Chinese culture has, however, created a political edifice which has no parallel in the world. It has joined the people with a bond that cannot be broken. While there are conspicuous racial shades of differences between the Mohammedan Chinese in the West, the Chinese in the North, and those in the South, they all have main characteristics in common and their political ideal is a government system which admits to each province a freedom verging into independence without therefore ruining the national unity.

The Japanese have pointed out that Manchuria before the Occupation was no more under the Nanking Government's control than it is now. The Chinese governor of the Three Eastern Provinces was an absolute dictator ruling his country consistent with his own fancy and accepting or refuting the orders of the National Government at Nanking at will.

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Through tickets are issued and passenger's baggage registered through between the important stations on the Peping-Liaoning Railway and the South Manchuria, Chosen (Korean) and Imperial Japanese Government Railways. At Peiping connections can be made with the Peping-Hankow Railway and with the Peping-Suiyuan Railway and at Tientsin connections can be made with the Tientsin-Pukow Railway, for Tsinanfu, Nanking and Shanghai.

For information as to rates, schedules, accommodations, etc. apply to any Tourist Bureau, or communicate directly with the Superintendent of Transportation.

IMPORTANT NOTICE

Owing to the Japanese occupation of Manchuria, tickets are only sold to Shanhaikwan where the Peping-Liaoning Railway crosses the Great Wall. The Chinese Government Railways assume no responsibility for transportation or safety of passengers beyond Shanhaikwan.

Peping-Liaoning Railway

Head Office
TIENTSIN
An Advertisement of the Chinese Government Railways

No. 2

When the change of regime took place after September 18th of last year the people of Manchuria were, however, confronted with a political creed which in China never had found any sympathy. Japan meant to cause a disruption in the relation between China and Manchuria and establish an independent state, a new nation, which would renounce its affinity with China. The subsequent aliance with Japan would be a matter of course.

The experiment has been a bitter failure. Nations which have been founded by artificial means have always been a failure. A Chinese will remain a Chinese whether he is a native of Kansu, Kwangtung or Manchuria. This rule prevails not only in China. One has every reason to expect that it was known in Japan.

The struggle in Manchuria will continue until Japan has learned to respect this general rule which is the common property of every nation of the world. Japan's violation of international treaties pertaining to Manchuria, of her agreements with China, in which the integrity of Manchuria is solemnly guaranteed, fades into insignificance when compared with the offence done against this right of the people. Practical experience has shown us that the oaths and pledges which limit the freedom of action of Governments are the least binding.

If at the meetings of the League of Nations at Geneva the Manchurian conflict will be brought to a point and the new order of things will be sanctioned, it does not mean that Japan has gained a victory. For the struggle in Manchuria wil go on until it is bitterly learned that the principle of "Might over Right" is a flaunting boast of days that are past.

Peiping, Nov. 20, 1932.

American Woman Explores Mongolia for Three Years

The *Associated Press* correspondent recently wired to the newspapers in the United States interesting details of Ethel John Lindgren, (her maiden name, which she retains for literary purposes, although she has been Mrs. Oscar Mamen for several years) on the occasion of Mr. and Mrs. Mamen's starting from Harbin on a trip to the United States.

Miss Lindgren's home in the United States is Evanston, Illinois. Her father was once Consul in Chicago for Norway and Sweden. She has gained fame as a result of her explorations and researches in Mongolia. In her Mongolia expeditions, covering three years, Miss Lindgren dressed in men's clothes and was often taken for a man, but she never attempted to conceal her sex. The fact helped rather than retarded her, for she was able to come very close to the lives of the Mongol women and children. On festive occasions and fete days she wore the native dress of the Mongol women, chatted with the Mongolian women in their native tongue and played with the children. She won the confidence and affection of the artless but often suspicious tribes by treating them in their illness and showing them the principles of hygiene and sanitation.

In the United States Miss Lindgren intends to lecture on Mongolia and her discoveries and recearches in that interesting part of the world. She will later return to Mongolia to resume her explorations and studies. Miss Lindgren is the only American woman who went directly from an American college into Cambridge University, England. Miss Lindgren went to Peking and studied colloquial Chinese. In the Summer of 1928 she penetrated Mongolia, and, arriving at Urga, the capital, decided to qualify herself for exploration and research work by mastering the Mongol language and by further studies in Mongolian anthropology, geography and history.

Japanese See Shanghai Losing Importance in Favor of Dairen

A recent *Rengo* message intimates that Shanghai's position as a transhipment port for goods to Manchukuo and North China, may probably be usurped by Dairen, as the enforcement of the Consular Invoice Regulations by the Chinese Government has made it unprofitable to tranship at this port, while Dairen still retains its facilities of a free port with the new state within easy access.

Since the change in the customs regulations in China foreign merchants gradually began to choose Hongkong and Kobe as transhipment ports instead of Shanghai, but lately the leading steamship companies in Dairen have received numerous enquiries from foreign firms asking whether direct routes to Dairen were in existence.

Government to Control the C. M. S. N. Co.

The National Government was scheduled officially to promulgate the regulations governing the state purchase of the shares of the China Merchants' Steam Navigation Company on December 1, after which date shareholders will be expected to get back their shares officially evaluated from the Central Bank of China. Thus the government will turn the biggest Chinese shipping firm into a State concern by buying over its shares amounting to approximately Tls. 6,000,000 with Tls. 3,000,000 only.

In order to follow a retrenchment policy, directors of the company recently decided to dismiss all those who entered into the service of the company during the present year. They will each be given one month's extra pay. Many of the officers of the company received notice of dismissal during the week. Out of 350 staff members 106 will have to quit their jobs.

The company still lacks exact information as to the whereabouts of Chen Fu-mo, resigned Vice-Minister of Communications and superintendent of the company, who is wanted here to explain the Tls. 30,000,000 loan agreements signed between the shipping Company and the China Realty Company. So far the Company has only been informed by its Hongkong branch that Mr. Chen has left Hongkong in disguise for an unknown destination. A report that Mr. Chen was coming to Shanghai is not generally believed here. During his stay in Hongkong, Mr. Chen issued numerous statements denouncing the new regime for detaining Marquis Li and for contemplating the abrogation of the loan agreement, which he holds to be both legal and sound. Meanwhile Marquis Li, the deposed general manager of the company and its biggest shareholder, is still being detained at the Shanghai Municipal Hospital, Nantao, where he is being subjected to investigations.

The employees of the China Merchants' Steam Navigation Company will receive their salaries due for November, October and latter half of September, at the end of this month, according to a recent statement by O. S. Lieu, new general manager of the company.

Platt, White-Cooper & Company have been appointed legal annual retainers by the C. M. S. N. Co. in addition to Wang Yu-lin and Ching Lien-kwei, the original attorneys of the firm. At present they are helping the firm to study the legality of the Tls. 30,000,000 loan and lease agreements signed by the old management of the firm with the China Realty Company.

Large Party of Chinese and Foreigners Inspects Yangtsze Dykes

A party of 60 Chinese and foreigners departed from Shanghai end of last week by the C. M. s.s. *Kiangsin* for an extensive tour of inspection of dyke construction work along the Yangtsze River, the Han River, the Hwai River, the Grand Canal and regions affected by the unprecedented flood disaster last year. The party will be absent about four weeks.

The trip was arranged by the National Flood Relief Commission, under whose supervision the dykes and embankments have been built. T. V. Soong, minister of finance, and Sir John Hope Simpson, chairman of the commission, directed the construction projects.

Among those in the party are Yu Yu-jen, president of the Control Yuan, H. K. Ling, secretary-general of the Chinese Bankers' Association, Chang Shou-yung, former vice-minister of finance, Dr. Wu Lien-te, director of the National Quarantine Service, Dr. J. Usang Ly, president of the Chiaotung University, and L. T. Chen, executive secretary of the China Council of the Institute of Pacific Relations, George Fitch, general secretary of the Foreign Y.M.C.A., J. C. Chancellor, general manager of *Reuters* in Shanghai, Dr. David A. Brown, chairman of the China Famine Relief Commission U.S.A., who recently made a 7,000 mile inspection tour in Honan, Shansi, Suiyuan and Kansu province studying the relief projects; and Sir John Hope Simpson.

The party from Shanghai was joined on November 28 by a Nanking group consisting of 30 distinguished Chinese and foreigners in the capital.

T. V. Soong, acting president of the Executive Yuan, entertained the party to lunch at a brief ceremony on board the steamer when it arrived at Nanking Nov. 28, to celebrate the completion of the dykes under the auspices of the National Flood Relief Commission.

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Gradual Transference of Mission Control to Local Nationals

The most recent instalment of the Report of the Appraisal Commission appointed by the Laymen's Foreign Missions Inquiry with headquaters in New York to examine and recommend concerning the future plan and scope of foreign missions in the Far East deals with the question of the transfer to local nationals of the control of such missions.

The goal of the mission must be, says the Report, the transfer of its responsibility to the hands of the nationals. If the missionaries in a given field are successful the time comes when they are no longer needed, before they withdraw. However,their duties and responsibilities must gradually be assumed by the Christian nationals. In India, China and Japan the process of devolution is already under way. In Japan it ought to be completed, within a few years. In parts of India. Burma and China, where educated and competent nationals are not yet available in sufficient numbers to carry on effectively, the period of transition will be considerably longer.

Revised Factory Laws Passed by Legislative Yuan

The Legislative Yuan passed the revised Factory Law, Nov. 19. The principal features to it, including an eight-hour day and prohibition of child labor below the age of 14, are practically the same as those provided in the original law, which was promulgated in 1929.

Important revisions include:—

1.—Regarding child laborers above the age of 12 and below 14, who are already employed when the new law comes into effect, application may be made to the local authorities concerned for special consideration.

2.—Working hours may be extended to ten hours per day if demanded by local conditions or the nature of the work.

Regarding wages, the revised law provides that they by determined according to the cost of living in the localite concerned and that wages should be paid at regular intervals, at least twice a month.

Nanking Asks for Continuance of Outside Road Negotiations

The City Government of Greater Shanghai has been instructed by the Ministry of Foreign Affairs to approach the Shanghai Municipal Council for the resumption of negotiations on the extra-Settlement road issue. The policy of the Japanese Government with regard to the transfer of the extra-Settlement roads to the administrative control of the City Government of Greater Shanghai will be conducted by Akira Ariyoshi, Japanese minister to China, who arrived in Shanghai from Tokyo last week.

The Chinese newspapers state that the local British and Japanese authorities are quarreling in connection with the proposed rendition as whether the advisers to the extra-roads administration shall be British or Japanese.

British Residents Oppose Rendition of Foreign Settlements

The annual meeting of the Shanghai British Residents' Association took place last week. The only declaration of policy adopted at the meeting related to the inadvisability of the early abolition of extraterritoriality, and the rendition of the remaining Foreign Settlements and Concessions. After the organization of the Committee, it was decided to welcome outport members, and many Britons in different parts of China have joined the organization.

Foreign Land Tenure in China to Be Dealt With by Nanking

Holding that the purchase or permanent lease of land in China by foreigners is a violation of Treaty stipulations, the Ministry of the Interior in Nanking, some time ago, instructed provincial authorities to investigate the situation within their respective jurisdictions. A number of provinces have in the meantime submitted their findings to the Ministry, and as soon as further reports are received, the Ministry of the Interior, in conjunction with the Ministry of Foreign Affairs, will formulate suitable measures to deal with the tenure of land by foreign nationals in China.

The Cult of Imitation in China

BY GEO. W. MISSEMER

TO the great credit of the Ministry of Industry let it be said that it has recently ruled in a number of cases in favor of foreign firms whose trademarks had been imitated by Chinese concerns. These were not instances where the trademarks and designs had been copied outright; they were merely sufficiently similar to the original to deceive the Chinese purchasing public, and the Ministry so held.

In recording what is written below the writer has no intention of intimating that Chinese morality is any worse than that of the Western world, for any hint of this sort can easily be matched by the Chinese pointing out the wooden nutmegs of early American Colonial days and the fact that Far Eastern art products are being imitated in European factories galore. The only reason why not more Chinese stuff is imitated is that, to tell the truth, there is little here to imitate, or what is just as important, it would not pay to imitate what little there is.

The Imitation Stage

Imitation by unscrupulous manufacturers is a characteristic of all nationalities, and is particularly prevalent in countries at the time when they first enter the industrial field. Many charges are levelled against the Japanese for imitating—one of the latest being the imitation of British piece goods labels in India. But it was several decades ago that Japan was in the heyday of its imitation era. Then the Japanese imitated most everything under the sun, but in the process of doing so they developed their manufacturing industries to the point where they did't need to imitate to any great extent and that is probably what will happen here in China. The roar of the Western manufacturers against Japanese imitations a quarter of a century ago was only equalled by the roar in recent years that has been caused by the label "made in Japan." Japan still imitates, but only comparatively speaking. Japan now boldly puts on the label "made in Japan" and sells the world over, sailing under its own colors—except, of course, here in China, where it works the other way about, owing to the boycott. Here goods which are really Japanese appear transformed with Russian or Austrian labels, or what not.

Good Imitations

The belief above expressed that it will be through the practice gained in imitating, that China will like Japan, evolve a manufacturing technique which in course of time will make the cult of imitation a secondary consideration is the fact that the imitating is done so well. It is to be remembered that many of the labels that are imitated are in the English language and hardly any of them are to be found that has not some mistake in the English on them that will betray them to the foreign purchaser. But it is to be remembered that the great buying public is Chinese, which cannot read English, and the Chinese purchasers go by the general appearance, the color and incidental features, quite oblivious that no Westerner would put out a label reading "tread mark" or "National & Co."—just to give two examples that are to be seen on the Shanghai market.

The few cases that have come before the Trademark Bureau are but a tithe of the flood of imitations that are to be seen on the Shanghai market. The imitations are frequently so well made that the shopkeepers are themselves sometimes deceived in handing out the packages, for it is the common practice to intercalate a few of the genuine packages in the row of imitations; and if the purchaser is not careful he will find that the bottle of salt which he thought was English and ought to bear the label of a swan has turned out when he gets home to bear the design of a goose, or something of the sort, and undoubtedly made in China. The two bottles from a distance of ten feet look exactly the same, there is the same general design in green, the form of a fowl in the center; they are exactly the same shape and the same size. Probably even better imitated than the label are the contents of the bottle. The salt inside seems to taste just as salty.

Shanghai, Nov. 28, 1932.

An American Trader's Complaint About Imitations

G. Warren Heath, who is the Far Eastern agent of William R. Warner & Co., who sell the "Richard Hudnut" perfumery, contributed to *Current History* September last a strong criticism of China's officialdom for their laxness in combatting the imitation evil, in an article entitled "China Plays the Innocent." His strictures of the Bureau of Trademarks at Nanking were particularly severe. Among other things, he said, "Instances are common wherein the bureau will accept for registration the mark of a Chinese product that is obviously an imitation, and will, in addition, often void registration previously granted a foreign concern in favor of the Chinese competitor. Much is made of the fact that Japanese firms market inferior and spurious goods, packaged to resemble certain well-known foreign products. Too true; yet the Chinese engage in the same sharp practices and to an increasing extent, since they know from experience that in most instances they can do so with impunity. Practically all foreign products that sell to any extent are imitated, both as to style of the package and as to the trade-marked name. Nor are such flagrant infringements confined to irresponsible business houses. By way of example, on a recent trip to China, during which I was handling a well-known American product, which had been registered with the Bureau of Trade -Marks at Nanking, I discovered thirty-two clever infringements in Shanghai alone. One of the offenders was a leading Chinese department store. An effort was made to have the style of the infringing package changed, but no amount of persuasion could prevail. Everything possible was done to settle the matter amicably and without losing the store's business in other lines. Finally an official of the store, scoffing at the threat to take the matter into court for settlement, said: "Do you foreigners think you can persuade a Chinese judge to render a verdict against a leading Chinese concern?"

American Explorers Scale Mountains in Sikang

Terris Moore and Richard Burdsall, American explorers, have reached the 24,000 feet summit of the Minyakonka peak in the Niarong mountain range of Sikang, according to a telegram from Jack Young, Chinese member of the expedition which left here early in August for western China. Mr. Moore is a member of the New York Explorers Club and American Alpine Club and has made numerous ascents of mountains in both North America and South America. Mr. Burdsall is a mountain climber of Port Chester, New York.

There are five members in the expedition. Three left early in August for Szechwan to make preliminary arrangements while two left later in the month in order to await the arrival of equipment and scientific instruments. The other two men in the expedition are Arthur B. Emmons of Boston, and Lewis Thorne of Rye, New York.

Peking Syndicate May Merge with Chinese Concern

Recent messages from Nanking stated that negotiations for the merger of the British Peking Syndicate and the Chinese Chungyuan Company are in progress. Both concerns have collieries in Honan but those of the British Syndicate have not been operated since 1926. Two Counsellors of the Ministry of Industry are at present in Changchow to assist in drafting an agreement between the Chinese and British representatives who are reported to have tentatively agreed that the capital of the proposed combine should be equally shared between the two parties, the profits to be divided on a 6-4 ratio, with a Chinese as general manager.

Third Edition of Medical Register to Be Issued in January

The third issue of the Shanghai Municipal Council Register of Medical Practitioners, Dentists and Veterinary Surgeons is to be published in January. The Council is sending out notices to practitioners already on the register asking for any alteration of address, and for the addition of qualifications since the issue of the second edition in July. In addition to the particulars already given, it is proposed in future to state the sex of each practitioner.

China at the Chicago Exposition---Changes in the Exhibit Building

China will be adequately represented at the forthcoming Century of Progress Exposition in Chicago next year, but several changes not only in the building to be used for the Chinese exhibits, but also in the handling of the exhibits themselves are being made, according to a statement made during the week by Z. L. Chang, director of the department of Exposition Affairs of the Chinese Government Commission. Mr. Chang explained that the Chinese Government last year made an appropriation of $400,000 to finance China's participation at the Chicago fair. Of this fund an initial instalment has already been paid. Definite assurances have been received from the minister of finance T. V. Soong, to the effect that the entire sum will be made available in a very short time.

The first plans for China's participation were made by Dr. H. H. Kung, who was minister of industry until the beginning of this year. When Chen Kung-po, the new minister of industry, come into office, he created a special commission to take full charge of the preparatory work. The original plan provided for the main entrance to the Chinese ground to be located at the Southeast corner just facing the water fountain on the spacious plaza and the main road leading from the 23rd Street Entrance of the exposition site. Now that this main road has been changed into a footpath and with the fountain and the plaza removed, the main entrance has to be moved to another direction, most likely somewhere on the Boulevard; and it has been found quite difficult to adapt the original design to the new shape of the ground. But because the commission liked the original design so much, the Society of Chinese Architects has been requested to preserve its main features as much as possible in the new design to be made. The main work of the commission at present is to plan for the construction of the Chinese Government Building to be built in Chicago.

League Rural Experts Report on Hung Lake Region

Prof. Carlo Dragoni and Dr. Guido Perris, the Italian experts on rural economics from the League of Nations, returned to Hankow from an inspection tour of the Hung Hu (Lake) region Nov. 9. They called on General Tsao Hao-sen, Chief-of-Staff of the Commander-in-Chief's Headquarters, to whom they reported their observations during the trip and offered suggestions regarding the rehabilitation of the rural areas. In an interview Professor Dragoni declared that the plight of the unfortunate victims is such as he has never before witnessed. Poorly clothed and fed, many are suffering from cuts, bruises and other wounds inflicted by the outlaws. However, he expressed satisfaction at the work now being carried on by the local authorities for the rehabilitation of those areas though a complete return to normal conditions will take some time.

New Tariff Law to Be Drafted by Nanking

The Central Political Council at Nanking last week decided to draft a new tariff law, taking this step as the result of representations from Chinese merchants at Shanghai, Peiping and many other cities. Pending the promulgation of the new law, redress for grievances against customs officials will be sought through the ordinary legal channels.

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Reconstruction in China Proceeds Apace

British Boxer Funds for Nanking and Changchow Electric Works

Loan contracts for £80,000 and £50,000 respectively for the Nanking and Changchow Electric Works were formally concluded between the Board of Trustees of the British Boxer Indemnity Refund and the National Reconstruction Commission at Nanking Nov. 18. Chang Ching-kiang, Chairman of the Commission, came to Nanking for the purpose of singing the documents. The contracts are identical as regards the redemption of principal and payment of interest; the principal to be redeemed within five years and interest to be payable semi-annually. The proceeds of the loans are to be used in each case for the purchase of apparatus and machinery for the electric plants, which form the security for the loans.

From Shanghai to Mongolian Border by Sleeping Car

From Shanghai to the borders of Mongolia, a railway journey of 1,421 miles can now ne made with the comfort of first and second-class sleeping cars and a dining car service, operated by the Chinese Government Railways.

The Peiping-Suiyuan Railway has been operating to Paotou for over 10 years, but it is only now that a practical bi-weekly schedule of express trains has been inaugurated from Peiping, thereby linking up with the Tientsin-Pukow and Peiping-Liaoning Lines from Shanghai.

Road Building in Southern Kiangsi

Several highways in South Kiangsi have been completed under the auspices af the First Army, who now occupy that area after driving away the Reds. Other highways connecting different towns in South Kiangsi are in process of construction and are expected to be completed in about three months.

Road building is one of the rehabilitation schemes to improve conditions in South Kiangsi, which was once sorely infested by Communists.

Aluminium Rolling Mill Operating in Shanghai

A subsidiary company, formed by Aluminium, Ltd., (Toronto), the Aluminium Rolling Mills, Ltd. (Switzerland), and the British Aluminium Co. (London), known as the Chinese Aluminium Rolling Mills Ltd., has erected an aluminium rolling mill at the intersection of Hochien and Meichow Roads in Shanghai which when in full operation will employ 500 workers. The company for the time being proposes only to manufacture cigarette foil and larger forms as per order. The aluminium foil takes the place of the tin foil which was previously used. According to the specifications, which provide for foreign design of the latest factory pattern, Messrs. R. Minutti & Co., began construction last December, finishing the major construction about two months ago. J. Hykes is Shanghai manager for the distribution company, while the plant superintendent is W. Eiffler; the plant office manager is H. Edelmann.

Speeding Up the Peiping-Hankow Schedule

In line with the policy recently adopted by the Nanking-Shanghai and Tientsin-Pukow Railways, the Peiping-Hankow Railway Administration is also planning to speed up its services on that Line by ten hours. Following a confereuce among the ranking officials of the Administration, including Ho Ching-wu, Chairman of the Administrative Committee of the Railway, the traffic manager, and the engneer-in-chief, it was decided to make the necessary preparations for the 44-hour trip between Peiping and Hankow by New Year's Day, instead of the present 55-hour schedule.

Chinese Hope to Redeem Shantung Railway

The board of directors of the Kiaochow-Tsinan Railway will meet shortly at Nanking to discuss the question of the redemption of the Line. According to Dr. C. T. Wang, former Minister of Foreign Affairs and at present member of the board of directors of the railway, who visted Tsinan recently, the Authorities are planning to take advantage of the present decline in the yen to redeem the line. To obtain funds for the purpose the Directors will meet to devise measures for the flotation of a domestic loan. The 15-year period within which the railway may be redeemed is about to expire. The sum required is Yen 40,000,000.

General Feng's Scheme to Help Disabled Soldiers

Representatives have been despatched by General Feng Yu-hsiang to Paotow, provincial capital of Suiyuan, to negotiate with the Provincial Authorities for the appropriation of 1,600 mow of untilled land for the disabled soldiers among his former units in the Kuominchun. As large areas in Suiyuan, particularly near Paotow, are undeveloped, he is anvious to carry out a reclamation scheme on a comparatively modest scale, which would at the same time furnish the disabled with a home and a livelihood by farming.

Tientsin-Shanghai Air Service to Be Inaugurated

The inauguration of a new passenger air service between Tientsin and Shanghai is expected shortly. The route will be via Haichow and Tsingtao. An official connected with the National Aviation Corporation visited Tsingtao during the week to complete arrangements for a landing field there.

Railway Rate Surcharge for Famine Relief

The proposal advanced by Hsu Shih-ying, Chairman of the General Famine Relief Committee. Wang Hsiao-lai. Chairman of the Shanghai Chamber of Commerce, and other welfare workers, relative to the levy of a surcharge on railway passenger tickets as well as telegrams and radiograms for relief purposes has been endorsed by General Chiang Kai-shek.

Nanking-Wuhu Highway to Be Opened New Year's Day

The Nanking-Wuhu Highway, recently completed under the direction of the Honan-Hupeh-Anhwei Bandit-suppression Force, will be formally opened to traffic on New Year's Day, it is announced. An omnibus company has been formed by merchants of Nanking, Tangtu and Wuhu to operate a regular service on the highway under the supervision of the Government. The road, which is about 63 miles long, may be traversed by car in three hours.

New Railway in Kiangsu Planned

The Kiangsu Provincial Government has decided to construct a railway linking up Tungchow, in northern Kiangsu, with Haichow in order to facilitate the transportation of products from the interior of Kiangsu to the sea. The expenditure is estimated at $70,000,000; the construction is to be completed in two years. Work on the new line, which will be 470 miles long, will begin early next Spring.

Foreign Trademarks Upheld by Ministry of Industry

The Ministry of Industry last week reversed recent decisions of the Trade Mark Bureau which had decided against the China Export and Import Bank Company in favor of the Ming Sung Gas Mantle Factory. The foreign company's attorney, Dr. F. Wilhelm, argued that the Chinese concern had imitated its trademark for gas mantles imported from abroad and sold locally. The trademark of the gas mantles showed a running lion and half a sun with trees and flowers for a back-ground, the whole picture being in black. The Ministry held that the Chinese design was sufficiently similar to make it easy for the public to err.

Shantung Section of Grand Canal to Be Dredged

Dredging operations on the Shantung section of the Grand Canal between the Yellow River and the Shantung-Kiangsu border will commence next February according to a decision of the Provincial River Affairs Committee. Although the length of the section is nearly 150 miles long, it is planned to complete the task in two months through the employment of 160,000 laborers to be provided by the eight districts (hsiens) along the Canal. It is understood that the Provincial Authorities are also planning measures for the irrigation of 200,000 mow of land on both sides of the waterway upon conclusion of the conservancy work.

Charcoal Gas Runs Motor Trucks in Hunan

Modernization of the province of Hunan, its huge strides in the betterment of communication followed by the hearty response of all industries, is an indication of what is transpiring in the interior of China, Julean Arnold, American commercial attache for China, told Shanghai Rotary Club members at their weekly tiffin meeting last week. During his recent visit to that province he saw a demonstration of a new charcoal gas-consuming motor truck. "Much importance is attached to the development of this truck," Mr. Arnold said, "by reason of the fact that cheap transportation is one of Hunan's greatest problems."

Alleged Massacre of Chinese Villagers by Japanese

The Foreign Office at Nanking Nov. 24 published a sensational report stating that a Japanese detachment recently ordered the inhabitants of the villages of Pingtingsan, Chienchingpao and Litsekou, situated 10 to 16 miles north-east of Fushun, to assemble in a ditch west of Pingtingsan while the Japanese troops searched the villages for Chinese Volunteers with whom the villagers were suspected of co-operating. The Japanese are alleged to have placed 10 machine-guns 70 yards from the assemblage and to have ordered them to kneel with their backs to the machine-guns. Some of the villagers, realising the fate in store, commenced to run, whereupon the machine-guns opened fire, stampeding the mass of screaming men, women and children. The horrible clamor was heard miles away. One hundred and sixty persons escaped with slight injuries and some 60 to 70 were killed as they were running away, "while infants, children and others not killed by bullets were all bayonetted, with the result that all 2,700 men and women, old and young, fell victims to the carnage."

The Japanese soldiers, so the report goes, piled up the corpses, covered them with oil-soaked fuel and burned them to ashes. The Japanese, it is alleged, have decided to use the farms belonging to the villagers for Japanese settlers.

Similar outrages are reported to have been perpetrated at Tikwanpao and Wangshapo, in the Liaoyang area.

A Denial from Tokyo

The alleged massacre of villagers near Fushun wa absolutely denied by a spokesman of the Japanese Foreign Office at Tokyo. The spokesman pointed out that conditions in the Fushun neighborhood had recently been peaceful, neither Japanese troops nor bandits being there. The report, he declared, was an outright fabrication, similar to the Tanaka memorial and was designed to influence Geneva. The same report, he added, had been printed by the Shanghai newspaper *Sin Wan Pao* on Nov 15, he said.

A formal protest was made by Acting Consul General Kamimura at Nanking Nov. 26 concerning the incident.

The Peiping Political Affairs Committee has ordered an investigation into the circumstances. Villagers who managed to escape massacre have sent representatives to Peiping to report on the brutal conduct of the Japanese military.

Japanese Say They Never Slaughtered a Single "Innocent" Chinese

Regarding a statement sent to the League of Nations by 15 leaders of the Chinese volunteers, including General Ma Chan-shan and General Su Ping-wen, to the effect that the Japanese troops in Manchuria had slaughtered 50,000 innocent people, a spokesman of the Japanese War Office in Tokyo Nov. 28 emphatically denied the charge, which he described as anti-Japanese propaganda. The spokesman said that the Japanese troops in Manchuria had never killed even a single innocent Chinese.

James King Steele Says There Is Still Money Available for Travel

James King Steele, executive secretary of the Philippine Tourist Association, passed through Shanghai last week on the Dollar liner *President Grant*, enroute to his home in Manila after a five months' business tour of the United States and Canada, taken for the purpose of developing the tourist traffic to the Orient in general and to the Philippine Islands in particular. In speaking of his impressions Mr. Steele said that in spite of hard times and upset business conditions prevalent throughout the world there is still a great deal of money available for travel purposes if the owners thereof are properly presented with the attractions of the Far East. The value of the tourist traffic to China should be recognized by the authorities who should cooperate in every way to make it easy for visitors to come here and spend their money for the things that China produces, Mr. Steele said.

Chinese Customs Office at Pogranitchnaya Closed

The Chinese Customs at Pogranitchnaya, on the eastern border of Manchuria, has been closed down, according to Japanese reports received here. The reports state that the commercial agency of the Chinese Eastern Railway is collecting all export and import duties there and handing them over to the Manchukuo authorities.

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Full Text of Lytton Commission of Enquiry's Report

(The publication of the full text of the Lytton Commission's Report was commenced in "The Review" of Oct. 22.)

(Concluded from Last Week)

Boycott Rules Adopted

Essential as the political atmosphere of a boycott may be to its ultimate success, nevertheless no such movement could be effective if the boycott associations had not secured a certain uniformity in their rules of procedure. The four general principles adopted at the first meeting of the Shanghai Anti-Japanese Association held on July 17, 1931, may serve as an illustration of the main objects aimed at by these rules. They were:

a. To withdraw the orders for Japanese goods already ordered.

b. To stop shipment of Japanese goods already ordered but not yet consigned;

c. To refuse to accept Japanese goods already in the godowns but not yet paid for;

d. To register with the Anti-Japanese Association Japanese goods already purchased and to suspend temporarily the selling of these goods. The procedure of registration will be separately decided upon.

Subsequent resolutions adopted by the same association and reproduced in the annex are much more detailed and contain provisions for all possible cases and eventualities.

A powerful means of enforcing the boycotts is the compulsory registration of Japanese goods held in stock by Chinese merchants. Inspectors of the Anti-Japanese societies watch the movement of Japanese goods, examine those of doubtful origin in order to ascertain whether or not they are Japanese, undertake raids on stores and godowns where they suspect the presence of non-registered Japanese goods and bring to the attention of their principals any case of the violation of the rules they may discover. Merchants who are found to be guilty of such a breach of the rules are fined by the Boycott Associations themselves and publicly exposed to popular disapproval, while the goods in their possession are confiscated and sold at public auction, the proceeds going into the funds of the Anti-Japanese organization.

The boycott is not limited to trade alone. Chinese are warned not to travel on Japanese ships, to use Japanese in any capacity, either in business or in domestic service. Those who disregard these instructions are subjected to various forms of dsapproval and intimidation.

Another feature of this boycott, as of previous ones, is the wish not only to injure Japanese industries, but to further Chinese industries by stimulating the production of certain articles which have hitherto been imported from Japan. The principal result has been an extension of the Chinese textile industry at the expense of the Japanese-owned mills in the Shanghai area.

That boycott of 1931, organized on the lines just described, continued until about December of that year, 1932, when a certain relaxation became apparent. In January, 1932, in the course of the negotiations then proceeding between the Mayor of Greater Shanghai and the Japanese Consul-General in that city, the Chinese even undertook to dissolve voluntarily the local anti-Japanese association.

Marked Revival

During the hostilities in Shanghai, and the months immediately following the evacuation of the Japanese troops, the boycott, although never completely abandoned, was moderated, and during late spring and early summer it even looked as if Japanese trade in different parts of the country might resume. Then, quite suddenly, at the end of July and beginning August coinciding with the reported military activity on the borders of Jehol, there was a marked revival of the boycott movement. Articles urging the people not to buy Japanese goods appeared anew in the Chinese press, the Shanghai Chamber of Commerce published a letter suggesting the resumption of the boycott and the Coal Merchants Guild in the same city decided to restrict to the minimum the importation of Japanese coal. At the same time more violent methods were employed, such as the throwing of a bomb into the compound of a coal dealer suspected of having handled Japanese coal and sending of letters to storekeepers threatening to destroy their property unless they stopped selling Japanese commodities. Some of the letters reproduced in the newspapers were signed the "Blood and Iron Group" or the "Blood and Soul Group for the punishment of traitors."

Such is the situation at the time of writing this Report. This recrudescence of the boycott activity caused the Japanese Consul-General in Shanghai to lodge a formal protest with the local authorities.

The various boycott movements, and the present one in particular, have seriously affected Sino-Japanese relations, both in a material and in a psychological sense.

As far as the material effects are concerned, that is, the loss of trade, the Chinese have a tendency to understate them in their desire to present the boycott as rather a moral protest than as an act of economic injury, while the Japanese attach too absolute a value to certain trade statistics. The arguments used in this connection by the two parties are examined in the annexed study already referred to. In that study will be found full particulars of the extent of the damage done to Japanese trade, which has certainly been considerable.

Another aspect of the subject should also be mentioned. The Chinese themselves suffer losses from goods already paid for, not registered with the Boycott Associations, and seized for public auction; from fines paid to the associations for violation of the boycott rules; from revenue not received by the Chinese Maritime Customs; and generally speaking, from loss of trade. These losses are considerable.

The psychological effect of the boycott on Sino-Japanese relations, although even more difficult to estimate than the material effect, is certainly not less serious in that it has had a disastrous repercussion on the feelings of large sections of Japanese public opinion toward China. During the visit of the commission to Japan, both the Tokyo and the Osaka Chambers of Commerce stressed this subject.

Public Opinion Exasperated

The knowledge that Japan is suffering injuries against which she cannot protect herself has exasperated Japanese public opinion. The merchants whom we interviewed at Osaka were inclined to exaggerate certain abuses of boycott methods, such as racketeering and blackmailing, and to underestimate or even to deny completely the close relationship between Japan's recent policy toward China and the use of the boycott as a defensive weapon against that policy. On the conbary, instead of regarding the boycott as China's weapon of defense, these Japanese merchants insisted that it was an act of aggression against which the Japanese military measures were a retaliation. Anyway there is no doubt that the boycott has been among the causes which have profoundly embittered the relations between China and Japan in recent years.

There are three controversial issues involved in the policy and methods of the boycott.

The first is the question whether the movement is purely spontaneous, as the Chinese themselves claim, or whether, as the Japanese allege, it is an organized movement imposed upon the people by the Kuomintang, by methods which at times amount to terrorism. On this subject much may be said on both sides. On the one hand, it would appear to be impossible for a nation to exhibit the degree of co-operation and sacrifice involved in the maintenance of a boycott over a wide area and for a long period if there did not exist a foundation of strong popular feeling. On the other hand, it has been clearly shown to what extent the Kuomintang, using the mentality and the methods which the Chinese people have inherited from their old guilds and secret societies, has taken control of the recent boycotts, and particularly of the present one. The rules, the discipline and the sanctions used against the "traitors," which form such an essential part of the present boycott, show that however spontaneous, the movement is certainly strongly organized.

All popular movements require some measure of organization to be effective. The loyalty of all adherents to a common cause is never uniformly strong, and discipline is required to enforce unity of purpose and action. Our conclusion is that the Chinese boycotts are both popular and organized; that though they originate in and are supported by strong national sentiment, they are controlled and directed by organizations which can start or call them off, and that they are enforced by methods which certainly amount to intimidation. While many separate bodies are involved in the organization, the main controlling authority is the Kuomintang.

The second issue is whether or not in the conduct of the boycott movement the methods employed have always been legal. From the evidence collected by the commission it is difficult to draw any other conclusion than that illegal acts have been constantly committed and that they have not been sufficiently suppressed by the authorities and the courts. The fact that these methods are mainly the same as those used in China in olden days may be an explanation but not a justification. When in former days a guild elected to declare a boycott, searched the houses of suspected members, brought them before the Guild Court, punished them for a breach of rules, imposed fines and sold the goods seized, it acted in conformity with the customs of that time. Moreover, it was an internal affair of a Chinese community, and no foreigner was involved. The present situation is different. China has adopted a code of modern laws, and these are incompatible with the traditional methods of trade boycotts in China. The memorandum in which the Chinese assessor has defended his country's point of view with regard to the boycott does not contest this statement but argues that "the boycott . . . . is pursued, generally speaking, in a legitimate manner." The evidence at the disposal of the commission does not bear out this contention.

Distinction Required

In this connection a distinction should be made between the illegal acts committed directly against foreign residents, *in casu* Japanese, and those committed against Chinese with the avowed intention, however, of causing damage to Japanese interests. As far as the former are concerned, they are clearly not only illegal under the laws of China but also incompatible with treaty obligations to protect life and property and to maintain liberty of trade, residence, movement and action. This is not contested by the Chinese, and the boycott associations, as well as the Kuomintang authorities, have tried, although they may not always have been successful, to prevent offences of this kind. As already stated they have occurred less frequently during the present boycott than on previous occasions. (*)

With regard to illegal acts committed against the Chinese, the Chinese assessor observed on page 17 of his memorandum on the boycott:

"We would like to observe in the first place that a foreign nation is not authorized to raise a question of internal law. In fact, we find ourselves confronted with acts denounced as unlawful but committed by Chinese nationals in prejudice to other Chinese nationals. Their suppression is a matter for the Chinese authorities, and it seems to us that no one has the right of calling into account the manner in which the Chinese penal law is applied in matters where both offenders and sufferers belong to our own nationality. No State has the right of intervention in the administration of exclusively domestic affairs of another State. This is what the principle of mutual respect for each others' sovereignty and independence means."

So stated, the argument is incontestable, but it overlooks the fact that the ground of the Japanese complaint is not that one Chinese national has been illegally injured by another, but that the injury has been done to Japanese interests by the employment of methods which are illegal under Chinese law, and that failure to enforce the law in such circumstances implies the responsibility of the Chinese Govérnment for the injury done to Japan.

This leads to a consideration of the last controversial point involved in the policy of the boycott, namely the extent of the responsibility of the Chinese Government. The Chinese official attitude is that "the liberty of choice in making purchases is a personal right which no movement can interfere with; while the governments are responsible for the protection of lives and property, they are not required by any commonly-recognized regulations and principles to prohibit and punish the exercise of an elemental right of every citizen."

(*, According to recent Japanese information, there were 35 instances in which goods belonging to Japanese merchants were seized and kept in detention by members of the Anti-Japanese Associations in Shanghai during the period from July, 1931 to the end of December, 1931. The value of the goods involved was estimated approximately at 287,000 dollars. Of these instances, in August, five were reported as still remaining unsolved.

More Direct Than Indicated

The commission has been supplied with documentary evidence which is reproduced in the Study No. 8 annexed to this report and which indicates that the part taken by the Chinese Government in the present boycott has been somewhat more direct than the quotation above would tend to indicate. We do not suggest that there is anything improper in the fact that Government Departments should support the boycott movement: we only wish to point out that official encouragement involves a measure of Government responsibility. In this connection the question of relations between the Government and the Kuomintang must be considered. Of the responsibility of the latter there can be no question. It is the controlling and co-ordinating organ behind the whole boycott movement. The Kuomintang may be the maker and the master of the Government, but to dedtermine at what point the responsibility of the Party ends and that of the Government begins is a complicated problem of constitutional law on which the commission does not feel it proper to pronounce.

The claim of the Government that the boycott is a legitimate weapon of defence against military aggression by a stronger country, especially in cases where methods of arbitration have not previously been utilized, raises a question of a much wider character. No one can deny the right of the individual Chinese to refuse to buy Japanese goods, use Japanese banks, or ships, or to work for Japanese employers, to sell commodities to Japanese, or to maintain social relations with Japanese. Nor is it possible to deny that the Chinese, acting individually or even in organized bodies, are entitled to make propaganda on behalf of these ideas, always subject to the condition, of course, that the methods do not infringe the laws of the land. Whether, however, the organized application of the boycott to the trade of one particular country is consistent with friendly relations or in conformity with treaty obligations is rather a problem of international law than a subject for our inquiry. We would express the hope, however, that in the interest of all States this problem should be considered at an early date and regulated by international agreement.

In the course of the present chapter it has been shown first that Japan, in connection with her population problem, is seeking to increase her industrial output and to secure for this purpose reliable oversea markets; secondly, that, apart from the export of raw silk to the United States, China constitutes the principal market for Japanese exports and at the same time supplies the Island Empire with an important amount of raw materials and foodstuffs. Further, China has attracted nearly the whole of Japan's foreign investments, and even in her present disturbed and undeveloped condition, offers a profitable field to Japanese economic and financial activities of various types. Finally, an analysis of the injury caused to Japanese interests in China by the various boycotts which have succeeded one another from 1908 until today has drawn attention to the vulnerable character of these interests.

The dependence of Japan on the Chinese market is fully recognized by the Japanese themselves. On the other hand, China is a country which stands in the most urgent need of development in all fields of economic life, and Japan, which in 1931, notwithstanding the boycott, occupied the first place in her total foreign trade, seems more than any other foreign Power indicated as an ally in economic matters.

The interdependence of the trade of these two neighboring countries and the interests of both call for an economic rapprochement, but there can be no such rapprochement so long as the political relations between them are so unsatisfactory as to call forth the use of military force by one and the economic force of the boycott by the other.

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CHAPTER VIII

Economic Interests in Manchuria

It has been shown in the preceding chapter that the economic requirements of Japan and China, unless disturbed by political considerations, would lead to mutual understanding and co-operation, and not to conflict. The study of the inter-relation between Japanese and Chinese economic interests in Manchuria, taken in themselves and apart from the political events of recent years leads to the same conclusion. The economic interests of both countries in Manchuria are not irreconcilable; indeed, their reconciliation is necessary if the existing resources and future economic possibilities of Manchuria are to be developed to the fullest extent.

In Chapter III the claim of Japanese public opinion that the resources, both actual and potential, of Manchuria are essential to the economic life of their country has been fully examined. The object of this chapter is to consider how far this claim is in conformity with economic facts.

It is a fact that in South Manchuria, Japan is the largest foreign investor, whereas in North Manchuria the same is true of the U.S.S.R. Taking the three provinces as a whole, the Japanese investments are more important than those of the U.S.S.R., although it is difficult to say to what extent because of the impossibility of obtaining reliable comparative figures. As the subject of investments is examined in detail in an annex to this report, a few essential figures will be sufficient to illustrate the relative importance of Japan, the U.S.S.R. and other countries as participating factors in the economic development of Manchuria.

According to a Japanese source of information, Japanese investments were estimated in 1928 at about Yen. 1,500,000,000, a figure which if correct must have grown today to approximately Yen. 1,700,000,000.(*) A Russian source puts Japanese investments at the present time at about Yen. 1,500,000,000 for the whole of Manchuria inclusive of the Kwantung Leased Territory and at about Yen. 1,300,000,000 for the Three Provinces, the bulk of Japanese capital being invested in Liaoning Province.

Mostly in Railways

With regard to the nature of these investments it will be found that the majority of the capital has been devoted to transporation enterprises (mainly railways), agriculture, mining and forestry coming next. As a matter of fact, the Japanese investments in South Manchuria center mainly round the South Manchuria Railway while the investments of the U.S.S.R. in the North are to a great extent, directly or indirectly, linked up with the Chinese Eastern Railway.

(*) Another Japanese authority puts the total of Japanese investments in China, including Manchuria, in 1929 at a figure of approximately Yen. 1,500,000,000.

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Foreign investments other than Japanese are more difficult to estimate, and in spite of the helpful assistance of those immediately interested, the information obtained by the commission has been meagre. Most of the figures given by the Japanese are prior to 1917, and consequently out of date. For the U.S.S.R., as has been stated, no definite estimate is possible. With regard to other countries, a recent Russian estimate for North Manchuria only, which it has not been possible to verify, indicates Great Britain as the next largest investor with G. $11,185,000, followed by Japan with G. $9,220,400, the United States with G. $8,220,00. Poland with G. $5.025,000. France with G. $1,760,000, Germany with G. $1,235,000 and miscellaneous investments G. $1,129,600, making a total of G. $37,784,400. For South Manchuria similar figures are not available.

It is now necessary to analyze the part Manchuria plays in the economic life of Japan. A detailed study on this subject will be found in an annex to this report from which it will be seen that although this part is an important one, it is at the same time limited by circumstances which must not be over-looked.

It does not seen from past experience that Manchuria is a region suitable for Japanese emigration on a large scale. As already stated in Chapter II, the farmers and coolies from Shantung and Chili have in the last few decades taken possession of the soil. Japanese settlers are, and for many years will mostly be, businessmen, officials, salaried employees who have come to manage the investments of capital, the development of various enterprises and the utilization of natural resources.

As regards her supplies of agricultural produce, Japan today depends on Manchuria mainly for the soya bean and its derivatives, the use of which as food stuff and as forage may even increase in the future. As a fertilizer, which is today one of its chief uses, its importance is likely to decrease with the growth of chemical industries in Japan. But the question of food supply is not at the moment acute for Japan, the acquisition of Korea and Formosa having helped to solve, at least for the time, her rice problem. If at some future date the need of this commodity becomes urgent for the Japanese Empire, Manchuria may be able to provide an additional source of supply. But in that case a large amount of capital would have to be spent in the development of a sufficient irrigation system.

Heavy Industries

Larger still, it seems, will be the amount of capital necessary for the creation of Japanese heavy industries, if these are destined to become independent of foreign countries, as a result of the utilization of the resources of Manchuria. Japan seeks above all to develop in the Three Eastern Provinces the production of those raw materials which are indispensable to her national defence. Manchuria can supply her with coal, oil and iron. The economic advantages however, of such supplies are uncertain. For coal, only a comparatively small part of the production is utilized in Japan; oil is extracted from shale only in very limited quantities; while it would appear that iron is definitely produced at a loss. But economic considerations are not the only ones which influence the Japanese Government. The resources of Manchuria are intended to assist the development of an independent metallurgic system. In any case Japan must seek abroad a great part of her coke and certain non-siliceous ores. The Three Eastern Provinces may ensure greater security in the supplies of certain products which are indispensable for her national defence, but heavy financial sacrifices may be involved in obtaining them. The strategic interests of Japan in Manchuria involved in this question have been mentioned elsewhere. Further, Manchuria is not likely to supply Japan with those raw materials which she needs most for her textile industries.

The Three Northeastern Provinces provide a regular market for Japanese manufactured goods; and the importance of this market may even increase with their growth in prosperity. But Osaka in the past has always depended more on Shanghai than on Dairen. The Manchurian market may perhaps offer more security, but it is more restricted than the Chinese market.

The idea of "Economic Blocs" has penetrated to Japan from the West. The possibility of such a bloc comprising the Japanese Empire and Manchuria is often found in the writings of Japanese statesmen, professors and journalists. In an article written shortly before he took office, the present Minister of Commerce and Industry pointed to the formation in the world of such economic blocs, American, Soviet, European and British, and stated that Japan should also create with Manchuria such a bloc.

There is nothing at present to show that such a system is practiable. Some voices have recently been raised in Japan to warn their compatriots against dangerous illusions. Japan depends for the bulk of her commerce far less on Manchuria than she does on the United States, China proper and British India.

Manchuria may become in the future of great assistance to an overpopulated Japan but it is as dangerous not to discern the limitations of its possibilities as it is to underestimate their value.

China's Economic Relations

When studying the economic relations of the rest of China with her Three Eastern Provinces, it will be apparent that, contrary to what we have seen in the case of Japan, her chief earlier contribution to their development consisted in the sending of seasonal workers and permanent settlers to whom the great agricultural development of the country is due. More recently, however, particularly in the last decade, her participation in railway construction and in the development of mineral and forestry resources and in industry, trade and banking, has also shown a marked progress, the extent of which cannot be adequately shown due to lack of data. On the whole it may be said that the principal ties between Manchuria and the rest of China are racial and social rather than economic. It has been recalled in Chapter II that the present population of Manchuria is, in the main, drawn from recent immigrations. The spontaneous character of these immigrations show clearly how they have fulfilled a real need. They have been a consequence of famine, although they were encouraged to some extent by both the Japanese and Chinese.

The Japanese have for a number of years recruited Chinese labor for the Fushun mines, for the Dairen harbor works and for the construction of railway lines. But the number of Chinese thus recruited has always been very limited and this recruitment ceased in 1927, when it appeared that the local supplies of labor were sufficient.

The Provincial authorities in Manchuria have also on several occasions assisted the settlement of Chinese immigrants, although in practice these activities of the authorities of the Three Eastern Provinces have only had a limited influence on immigration. The authorities in North China, and the charitable societies, have also in certain periods endeavored to encourage the settlement of families in Manchuria.

The principal assistance received by the immigrants has been the reduced rates offered by the South Manchuria Railway, the Chinese lines and the Chinese Eastern Railway. These encouragements given to newcomers showed that at least until the end of 1931, the South Manchuria Railway, the Manchurian provincial authorities and the Chinese Government regarded this exodus with favor; all of them profited by the peopling of the Three Eastern Provinces, although their interests in the movement were not always identical.

Old Relations Kept

Emigrants, once settled in Manchuria, maintain their relations with their province of origin in China proper. This is best shown by a study of the remittances that the emigrants sent back to their families in the villages of their birth. It is impossible to estimate the total of these remittances, which are effected through banks, through the post and through money taken back by returning emigrants. It is believed that twenty million dollars are so taken annually into Shantung and Hopei, while the post office statistics showed in 1928 that the Provinces of Liaoning and Kirin remitted to the Province of Shantung by money orders a sum equal to the amount remitted to that province by all the other provinces in China. There is no doubt that these remittances form an important economic link between Manchuria and China Proper. They are the index of the contact maintained between the emigrants and their families in the provinces of their origin. This contact is all the easier because conditions on either side of the Great Wall do not greatly differ. The produce of the soil is in the main the same and the agricultural methods identical. The most pronounced variations between agricultural conditions in Manchuria and in Shantung are caused by differences of climate, varying density of population and different states of economic development. These factors do not prevent the agriculture of the Three Eastern Provinces from tending to resemble more and more the agricultural conditions in Shantung. In Liaoning, a long settled territory, rural conditions resemble more closely those in Shantung than do those in Heilungkiang, a territory more recently opened up.

The organization of direct trade with the agriculturalists in Manchuria resembles also the conditions in China proper. In the Three Provinces such commerce is in the hands of Chinese, who alone buy directly from the farmers. Similarly in the Three Provinces as in China Proper, credit performs an important function in such local trade. One can even say that the resemblance in commercial organization in Manchuria and China Proper is found not only in local countryside trade but also in trade in the towns.

In fact, the social and economic Chinese organization in Manchuria is a transplanted society which has kept the customs, dialect and activities of its home. The only changes necessary are those required to meet the conditions of a land more vast, less inhabited and more open to outside influences.

The question arises whether this mass migration has been merely an episode or whether it will continue in the future. When account is taken of the areas in South Manchuria and certain valleys in the south and east, such as the Sungari, Liao and Mutanchiang valleys, it is clear that from the purely agricultural point of view, Manchuria can still absorb numerous colonists. According to one of the best experts on the staff of the Chinese Eastern Railway, the population of Manchuria could reach in 40 years a figure of 75,000,000.

Conditions May Limit

But economic conditions may in the future limit the rapid growth of the population of Manchuria. Economic conditions in fact alone render the future of soya bean farming uncertain. On the other hand, crops recently introduced into Manchuria, especially rice farming, may develop there. The hopes which some Japanese have placed in the development of cotton growing seem to be subject to certain limitations. Consequently economic and technical factors may to some extent limit the entry of newcomers into the Three Provinces.

The recent political events are not the only cause of the decline of Chinese migration into Manchuria. The economic crisis had already in the first six months of the year 1931 diminished the importance of the seasonal migration. The world depression added to the effect of an unavoidable local crisis. Once this economic crisis is over and order has been re-established, Manchuria may once more serve as an outlet for the population of China proper. The Chinese are the people best adapted for the colonisation of Manchuria. An artificial restriction of this migration by arbitrary political measures would be prejudicial to the interests of Manchuria as it would be to the interests of Shantung and Hopei.

The ties between Manchuria and the rest of China remain chiefly racial and social. At the same time economic ties are continuously becoming stronger, which is shown by the growing commercial relations between Manchuria and the rest of China. Nevertheless, according to custom's returns, Japan remains the best customer and chief supplier of Manchuria, China Proper occupying the second place.

The chief imports from Manchuria into the rest of China are the soya bean and its derivatives, coal and small amounts of groundnuts, raw silk, miscellaneous cereals and a very limited amount of iron, maize, wool and timber. The chief exports to Manchuria from China Proper are cotton piece goods, tobacco preparations, silken and other textiles, tea, cereals and seeds, raw cotton, paper and wheat flour.

Consequently China Proper relies on Manchuria for certain foodstuffs, most important of which is the soya bean and its derivatives, but her imports of minerals with the exception of coal and her imports of timber, animal products and raw materials for manufacturing purposes have in the past been slight. Furthermore, China proper is able to use only a portion of Manchuria's favorable balance to offset its own unfavorable balance. It is able to do this not by virtue of its political affiliation as such, as is generally thought, but chiefly because the Manchurian postoffices and customs have been highly profitable institutions and because of the substantial remittances of Chinese settlers to their families in Shanghai and Hopei.

Comments Offered

The resources of Manchuria are great, and as yet not fully ascertained. For their development they require population, capital, technical skill, organization and internal security. The population is almost entirely supplied by China. Large numbers of the existing popuation were born in provinces of North China where their family ties are still very close. Capital, technical skill and organization have hitherto chiefly been provided by Japan in South Manchuria and by Russia north of Changchun. Other foreign countries to a much smaller degree have interests throughout the Three Provinces but principally in the large cities. Their representatives have exercised a conciliatory influence in the recent years of political tension, and

will continue to do so, provided that Japan, as the dominating economic Power, does not attempt to monopolize the field. The all-important problem at the present time is the establishment of an administration, acceptable to the population and capable of supplying the last need—namely the maintenance of law and order.

No foreign Power could develop Manchuria or reap any benefit from an attempt to control it without the good will and wholehearted co-operation of the Chinese masses which form the bulk of the population, tilling its soil, and supplying the labor for practically every enterprise in the country. Neither will China ever be free from anxiety and danger unless these northern Provinces cease to afford a battleground for the conflicting ambitions of neighboring Powers. It is as necessary therefore for China to satisfy the economic interests of Japan in this territory as for Japan to recognize the unalterably Chinese character of its population.

Parallel to an understanding of this kind and in order to allow all interested Powers to co-operate in the development of Manchuria it seems essential that the principle of the Open Door should be maintained, not only from the legal point of view but also in the actual practice of trade, industry and banking. Among foreign businessmen in Manchuria other than Japanese there is a fear that Japanese business concerns will try to reap beenfit from the present political position by other means than those of free competition. If this fear came to be justified, foreign interests would be discouraged and the population of Manchuria might be the first to suffer. The maintenance of a real Open Door manifested by free competition in the field of trade, investment, and finance, would be in the interest of both Jappan and China.*

* In this connection it is necessary to mention the extraordinary extent to which goods are being smuggled into Manchuria, especially over the Korean border and through Dairen. Not only is this practice detrimental to the Customs revenue but it disorganises trade, and rightly or wrongly gives rise to the belief that the Power which has virtual control over the Customs Administration might discriminate against the trade of other Powers.

[This completes eight chapters. The IX and X chapters appeared in the Oct. 15 issue of The Review.]

Southern Chinese Oppose Wheat Loan and Rice Duties

The South-West Executive Committee and the South-West Political Council have telegraphed to Nanking opposing the reported wheat loan and the import duty on rice. The message states that this year the abundant harvests in China do not justify the purchase of the surplus grain of another country or government. The message says that the levying of an increase of 30 percent on the duty on rice will cause hardship to the people and is therefore a blunder of the first magnitude.

National Crisis Causes Peiping Student's Suicide

Tien Pai-yao, a twenty-seven-year-old student in the Department of English Literature at the National Normal University, Peiping, committed suicide by swallowing poison on the night of November 22.

Despondency over the national crisis is alleged to have been responsible for the act.

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In the United States Court for China

ZENA LARINA MIKOLAICHIK Plaintiff, vs. WLADIMIR MIKOLAICHIK Defendant	Cause No. 3494 Civil No. 1568 ORDER Filed at Shanghai, China November 14, 1932 Sgd. L. T. Kenake Asst Clerk

The object of this suit is an action for Divorce,

WHEREAS, plaintiff herein, by her attorneys, has this 11th day of November, 1932, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 11th day of November, 1932, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 11th day of November, 1932, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China nor has he ever resided in China, and that defendant's last known address was 425 W. 55th Streeet, corner of Broadway, New York City, N. Y.

NOW, THEREFORE, it is this 14th day of November, 1932, ORDERED that service upon the defendant be made by publicatiin once a week for three consecutive weeks in the "CHINA WEEKLY REVIEW" Shanghai, China....., a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occuring after the 3rd day of December, 1932, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:
Dated at Shanghai, China,
this 14th day of November, 1932.

MILTON D. PURDY
Judge.

Men and Events

The Executive Yuan November 29 appointed Chang Tao-fan, Vice-Minister of Communications.

The Japanese Cabinet last week decided to legalize marriage between Japanese and Formosan natives.

Ku Meng-yu, Minister of Railways, proceeded to Hankow during this week to confer with General Chiang Kai-shek.

It may be only a coincidence but the chief Chinese advocate of war on the economically embarrassed Japan is Yen.—*Manila Bulletin.*

A. P. Webster, formerly a member of the London Stock Exchange has joined Swan, Culbertson and Fritz, investment brokers, Shanghai.

C. F. Cress, formerly manager of General Motors in Shanghai, is now connected with the Socony Vacuum Corporation in Cape Town, South Africa.

A successful operation for hernia was performed Nov. 26 on Henry Ford at the hospital in Detriot which bears his name, and to which he made a donation of G.$10,000,000.

Bohus Ulmann will deliver two more lectures on Music Appreciation at the Chinese Y.M.C.A., 123 Boulevard Montigny, Shanghai, the dates being Dec. 3 and Dec. 10, all at 4 p.m.

Frederick Johnson, whose real name was stated to be John Ronald Gay Rowlands, born in Peking, was sentenced at Middlesex, England, recently to four months' penal servitude for house-breaking.

C. P. Cheng, manager of Sincere Company, Shanghai, returned from Hongkong end of last week. Mr. Cheng was in Hongkong on a business trip in connection with the branch store of the company.

K. T. Yuen, business manager of the *China Press*, has resigned his present position to become manager of the Hankow branch of the China Merchants' Steam Navigation Company. He will leave for his new post early in December.

Charlie Wong and Frank Mar, two Chinese who had graduated as pilots at the North-west Aeromarine school of flying, were entertained at a dinner in the Marlborough hotel, Winnipeg, recently by 75 Chinese and Canadians who had assembled for the occasion.

The Shanghai Rotary Club made its annual visit to Dr. W. S. New's orthopedic hospital in Route Zikawei November 26, where two beds are maintained by the Club. The weekly tiffin was held on the premises, the address being made by E. F. Harris, president.

General Lu Ti-ping, Chairman of the Chekiang Provincial Government, has been granted one month's leave of absence by the Executive Yuan, in order that he may recuperate from his illness. Lu Pi-chou, Provincial Commissioner of Civil Affairs, has been instructed to act for him.

The City Government of Greater Shanghai had a considerable deficit for the period between July and October, 1932. The total of income of the City for the period, according to a Bureau of Finance official, amounted to $2,700,000, while the total of expenditures amount of $3,200,000.

According to a despatch from Shanhaikuan the Chinese police authorities there in compliance with instructions given them by Peiping authorities have started to examine every Chinese passenger entering Manchukuo, forbidding them from taking with them more than $200 in cash or paper money.

M. F. Lembich, forty years of age, publisher of the *Shanghai Zaria*, Russian paper here and also publisher of similar papers in Harbin and Tientsin, died in Shanghai on Nov. 29 of double pneumonia. Mr. Lembich was formerly a prominent journalist in Moscow prior to the Soviet revolution and was a supporter of the cause of the White Russians. He is survived by his wife and a daughter. Irena.

Georgy Zinovieff, (of Zinovieff letter fame) originally known as Grigory Evseyevich, one of the founders of the Third Internationale, one of Lenin's most ardent disciples and a man who was twice expelled from the Communist Party was reported dead in Moscow on Nov. 28, but the report was officially denied by the Soviet authorities an Nov. 30. It was stated that Mr. Zinovieff had been seriously ill at a hospital in Moscow but had recovered and was now in good health.

The British Air Ministry announced last week that Lieutenant James Y. Fu, of the Chinese Military Forces, had completed his instruction in practical flying with No. 5 Training School. He has since been transferred to the Electrical and Wireless School at Cranwell, Lincolnshire, for a course in signals.

The Public Health Department of the Shanghai Municipal Council announces a vacancy for a Chinese assistant medical officer. Applicants for this post must possess qualifications in medicine and surgery, have adequate knowledge of English, Mandarin and local Chinese dialects and be under 30 years of age.

The Municipality of Greater Shanghai has issued instructions to its Public Health Bureau and Social Affairs Bureau to examine a list of new food and drink regulations which has been drawn up ready for promulgation. All factories manufacturing food or drinks are subject to license taxation at the rate of one dollar annually.

Overseas Chinese in the Philippine Islands have pledged to raise funds to buy a fleet of airplanes for their homeland, according to a telegram from General Oong Chao-huan, former commander of 156th Brigade of the 19th Route Army, received by the office of the China National Aviation Reconstruction Association in Shanghai last week.

Charles Upham, the Engineer-Director of the American Road Builders' Association, has addressed the American Commercial Attache in China extending on behalf of his association an invitation to all persons interested in highway developments in China to attend a good roads conference to be held in Detroit, Michigan, January 16 to 23, 1933.

Lieut. John E. Wright, U.S.A., retired, who spent some time in the Hawaiian Islands as an official of the U.S. Department of Justice, in a recent article in the Hearst Papers entitled "Japanese Lead Law Violators in Hawaii," expressed the opinion that the Hawaiian-born Japanese now being trained in the Hawaii National Guard, will in the event of war with Japan, be found on the side of their mother country.

Arthur T. Stollmack, a representative of the General Insurance Securities Ltd., of Los Angeles, which controls the Belt Fire and Insurance Company, Belt Casualty Company, and building, loan and mortgage companies with its branches in 22 states of the United States, arrived in Shanghai last week. Mr. Stollmack will spend a month here and then leave for Tientsin, Peiping, Hankow, Hongkong, Tsingtao, Nanking and northern ports with a view to investigating insurance prospects in this country.

General Morris Abraham Cohen of the Chinese Army, military counsellor to the Canton Government, Canadian by birth and a former bodyguard to the late Dr. Sun Yat-sen, at present in San Francisco, told a *Chronicle* reporter that Japan would be unable to hold Manchuria in its entirety, adding, "She cannot give Manchuria back to the Manchus because the population of Manchuria is made up of only a few Manchus, compared to the Chinese who have emigrated there from China Proper. The same situation holds true of America. You could not give back this country to the Indians because there are so few Indians."

Japanese Naval Units Along Yangtsze River

Upwards of 500 Japanese marines arrived from Japan in Shanghai Nov. 27 on board the *Tsingtao Maru*. These will be sent to different Japanese warships along the Yangtsze as reinforcements. It is estimated that there are altogether twenty-three Japanese warships, with a total of 4,300 marines, distributed along the Yangtsze River at different places.

Admiral Sakonji, commander of the Third Japanese Fleet, left Shanghai for Tokyo Nov. 27 aboard the flagship *Idzumo* to take up his new office as Garrison Commander of Sasebo Harbor. His sucessor, Vice-Admiral Yonai, will leave Sasebo on the same flagship for Shanghai, arriving here December 6.

Students Riot at Lanchow

According to belated information which arrived in Nanking from Lanchow the capital of Kansu, during the week, serious student riots occurred there on Nov, 18 as a result of non-payment of school teachers' salaries. Demanding that funds be immediately forthcoming students manhandled the Commissioner of Finance and wrecked his office, his residence and also the homes of two other officials. Several arrests having been made, all the students went on strike.

Japanese to Start Drive Against General Su Ping-wen

A telegram from Harbin Nov. 28 stated that the Japanese military machine is getting into swing for the long-threatened drive against General Su Ping-wen. Large numbers of Japanese troops have been concentrated at Tsitsihar and Fuliardi, together with heavy guns and airplanes.

General Su Ping-wen who several months ago revolted at Manchuli from Japanese domination and has ever since maintained an independent, not to say defiant, position, shares with General Ma Chan-san the distinction of being one of the two men whom the Japanese are most anxious to "get." The Japanese had General Ma "dead" on a number of occasions, but these reports were afterwards proved to be fabrications. General Su's position is a most strategic one, both as regards terrain and otherwise. He is in control of the Kinghan mountain range and has at his mercy more than a hundred Japanese men, most of them so-called Customs guards, but more probably Japanese soldiers in disguise. He is keeping them as hostages against any attacks by the Japanese from the air. He threatens to slaughter them in case the Japanese make an air attack, although the Nanking government has cautioned him that such an action would hurt China's cause abroad very much indeed. However, there are no present indications that the Japanese would be able to make any effective occupation by airplane bombing, no matter what destruction they might cause. In order to occupy Manchuli or the western part of Manchuria along the Chinese Eastern railway the Japanese have to send an army and that will prove a task of heroic proportions at this time of the year, but the latest news is that they intend to make the attempt. The key to the situation is the tunnel under the mountains about two miles long and General Su is in a position to blow it up at a moment's notice. That would mean that an attacking army night have to cross the mountains in the dead of winter.

General Su Ping-wen Refuses to Negotiate with Japanese

General Su Ping-wen, Commander-in-Chief of the Heilungkiang National Salvation Army, in a recent radio message from Hailar, reported that seven Japanese airplanes have been shot down by his men. General Su has notified the Soviet Consul at Manchuli, near the Heilungkiang-Siberian border, that he has not the least intention of conducting any negotiations with the Japanese. It is understood that M. Karakhan, Soviet Vice-Commissar of Foreign Affairs, has already informed Mr. Amo, Japanese Charge d'Affaires at Moscow, to the above effect and consequently has asked the Japanese negotiators to leave Soviet territory.

Fifteen generals of the Chinese volunteer corps in Manchuria, headed by General Ma Chan-san and General Su Ping-wen, have signed a declaration declaring Manchukuo a puppet state and pledging their lives to overthrow it.

Sungari River Freezes—Japanese Gunboats Tied Up

According to a telegram from Tung Kiang the lower part of the Sungari River has frozen up, and Chamusze has now fallen into the hands of the forces under Generals Ting Chao and Li Tu. The volunteers have made several previous attacks upon the city, but they were compelled to retreat by the intensive artillery fire from the Japanese and Manchukuo gunboats which, according to the telegram, were unable to steam into the harbor of the city this time, to assist the Japanese army in repulsing the attackers since the river was frozen.

General Muto Accredited to Manchukuo

The Japanese Cabinet Council Nov. 21 approved of the change of regulations incidental to the establishment of a Japanese Embassy in Manchoukuo. In accordance with the revised regulations, it is understood that General Nobuyoshi Muto, plenipotentiary envoy, will be formally accredited to Manchukuo.

Japanese Fugitives Arrive at Tsuruga

Japanese women and children totalling 113 arrived in Tsuruga, Japan, on the morning of Nov. 25, this being the first batch of Manchuli Japanese who had taken refuge in Soviet territory, after having been released by General Su. They made the trip to the coast on the Amur railway.

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Who's Who in China

Wang Yung-ping, government official; born at Yi, hsieh, Shansi, 1881; first studied at the Shansi University and later was sent to Japan on a government scholarship, where he was graduated from the Japanese College of Law at Tokyo; while in Japan, he became a follower of Dr. Sun Yat-sen and joined the Tungminghui, the predecessor of the present Kuomintang; returned to China in the Summer of 1911 and planned revolutionary work in North China, serving repeatedly as director of the branch office of Tungmenghui in Shansi; founded the *Ching Yang Press* (still in existence) at Taiyuan and wrote articles advocating revolution which aroused the ire of the Manchu officials in Shansi and resulted in the sealing of the paper and the issuance of an order for his arrest; upon the outbreak of the First Revolution in Wuchang to which Shansi responded, he was proclaimed Military Governor of Ho-tung district in Shansi; when the Military Government of Shansi was removed to Ho-Tung following the capture of Liangtsu Kwan by the revolutionary forces, he was appointed Commissioner of Civil Affairs; upon establishment of the Republic, he was elected speaker of the Provincial Assembly of Shansi; in 1913, elected member of the senate of the Parliament at Peiping and concurrently member of the constitution drafting committee of the senate; following the second dissolution of the Parliament, he went to Canton and was appointed member of the Parliament for the Defense of Provisional Constitution and concurrently councillor of the Generalissimo's Headquarters; in 1921, he was sent by Dr. Sun to North China to induce Tuan Chijui and Chang Tso-lin to support the Revolution which was known as the famous "Triple Alliance;" vigorously opposed the election of Tsao Kun to the presidency by bribery in 1923; served in the Kuominchun Army under command of Feng Yu-hsiang in 1924; chief-secretary to the Civil Governor of Honan, 1925; high councillor to the Southern Route Army of the Kuominchun under Gen. Yueh Wei-chun in 1928 and in the Winter of the same year, chief secretary of the Peiping division of the Central Political Council; member of the Legislative Yuan since 1928, in which capacity he now serves concurrently as chairman of the Law Codification Commission and vice-chairman and recently promoted chairman of the Examination Commission of the Examination Yuan; address: Legislative Yuan, Nanking.

王用賓字太樸
Wang Yung-ping

王用賓字太樸，年五十一歲，山西猗氏縣人，少有文名，以廩生調入山西大學，復由山西省考送日本留學，畢業於日本大學法科，辛亥夏歸國，策畫革命之發動。先是王君留日時卽加入同盟會，贊翊孫總理革命，故回國後迭任同盟會山西支部部長。曾在山西太原，創設晉陽公報（此報至今尙存），鼓吹革命，開罪山西巡撫，被封報館並明令通緝，迨辛亥武昌起義，山西響應，王被推爲河東兵馬節度使，及娘子關失陷，王乃移晉軍政府於河東，以抗清軍，被推爲民政長。共和告成，返太原組織山西臨時省議會被選爲議長。民國二年，由山西省議會選爲參議院議員，旋由參議員選爲憲法起草委員，俟因國會二次解散，乃憤然南下，入粵護法，任非常國會護法議員，兼任大本營參議。十年總理派爲北方特派員慫恿段張，贊助革命，世俗指爲三角同盟者卽此。十二年曹錕謀以賄得總統，王號召拒賄議員移滬開會爲曹系大忌，十三年國民軍起，王早與謀，故半年之前，密告總理，屆期往滬，請北上者，卽王也。十四年同胡景翼入豫，任河南省公署秘書長，十七年岳西峯率國民革命軍南路軍至襄宛，王任總參議，是年冬兼任北平政治分會秘書長。十八年任立法院立法委員，現任立法院法制委員會委員長，兼考試院考選委員會委員長。通信處，南京立法院。

New Books of Interest in the Far East

How Mr. William Saved China from the Reds

Sun Yat-sen Versus Communism, by Maurice William; The Williams & Wilkins Company, Baltimore U.S.A.

This is one of the most amazing, muddled and silly books, especially at G$5, that has come to the attention of this reviewer for some time, but it is interesting as a study in pathology. For Mr. William, an unknown American ex-socialist, appears to devoutly believe that a trivial book he wrote a number of years ago called "The Social Interpretation of History: A Refutation of the Marxian Interpretation of History" saved China from communism.

Dr. Sun, according to Mr. William, was getting Redder and Redder around 1924 and preparing to deliver China's millions right into the rapacious maw of Moscow. Then he read Mr. William's book on "The Social Interpretation of History," proving that Marxism is all wrong and especially that class conflict is a deplorable concept, whereupon Dr. Sun did an about-face and set China on the straight and narrow path of democratic rectitude as examplified by the present Nanking Government.

All of which is very interesting, but it is as full of holes as a Chicago gangster who has been "put on the spot." In the first place, Dr. Sun's political and economic thinking except insofar as it has conformed to the bourgeois basis of the Kuomintang, has had no effect on the course of Chinese history, and in the second place, not even Mr. Sun's admirers, among which this reviewer counts himself, can set any serious store on the great revolutionist's ability to formulate sound theory. In political and economic theory he was, to be frank, almost as muddled as Mr. William.

Dr. Sun was what might be described as an idealistic communist, that is, he believed in communism as an ideal state of society. He was quite sound in saying that China suffered more from poverty than from inequitable distribution of wealth, but on the whole he never displayed any clear recognition of economic forces. He was influenced a great deal by Henry George, some by Marx, and also apparently by Mr. William, but he was always primarily a nationalist, not a Marxian, revolutionary, which is what one should expect for the period and country in which he flourished.

If Mr. William had any understanding of Marx he would realize that Dr. Sun's economic ideas are, in the last analysis, of no importance compared to his action in the course of the Chinese Revolution. The Kuomintang Dr. Sun founded and directed was partly built on a bourgeois, not a proletarian, basis. Insofar as the proletariat was enlisted it was under the direction of the bourgeoisie, and the objective of the Kuomintang was bourgeois nationalism. That both Russian and Chinese Communists for a time supported the Kuomintang was because they dialectically concluded that China freed from imperialism was a better field for their purposes than China under the shadow of foreign cannon.

Consequently, as long as Dr. Sun was identified with the Kuomintang his personal ideas were of no vital importance. He could have swallowed, digested and believed the whole of Marx, but the achievement would have been purely scholarly and without effect on the bourgeois constitution of the Kuomintang. Therefore Mr. William's labored proof that he was responsible for weaning Dr. Sun away from certain Marxian ideas is without point except that it may flatter the ego of Mr. William.

Muddled as Dr. Sun's social philosophy was, it at least was marked by many shrewd observations, while Mr

William's "The Social Interpretation of History," quotations from which (frequently repeated several times) comprise about half the tome under review, passeth understanding. Mr. William voices the theory "that man's effort to solve his problem of existence is the propelling motive force in history," which is a correct enough generality, but then he adds that "this is primarily a consumer problem. Class conflict is an effect, not a cause." Which is as clear as the well known mud.

As a matter of fact the concept of class conflict is an essential part of any scientific socialism. In theory as well as practice it is impossible to conceive of any possessing class giving up its possessions voluntarily. And as an historical footnote to this, it may be cited that every country of western Europe is or has been within the past 15 years under "Socialist" governments which have not believed in class conflict,—and not one of them has ever made or is making the slightest stride toward achievement of socialism. The great British non-class conflict socialist, Mr. MacDonald, has even turned the government back to the Tories.

Only the Russian Communists, who believe in class conflict and act accordingly, have instituted a genuine Socialist program. Yet Mr. William's "The Social Interpretation of History" is predicated in large part on the thesis that Lenin's New Economic Policy of almost a decade ago meant the reversion of Russia to capitalism, and Mr. William, quotes conclusions based on this thesis in 1932 without explanation or addition. This is an excellent key to his scholarship.

Along the same line it is interesting to note that Mr. William cites Dr. Sun as saying that the Kuomintang's first method of achieving the Principle of Livelihood was by "equalization of land-ownership." How far this has been carried out without class cenflict may be best shown by the rise of the "Chinese Soviet Republic." W. B.

A Novel of French Family Life

Saint Saturnin, by Jean Schlumberger, translated from the French by Dorothy Bussy; Dodd, Mead & Company, New York City.

This is a novel of old age and middle class family iife in France by the editor of *"La Nouvelle Revue Francaise."* The English translation is by a sister of the late Lytton Strachey, and her style and richness of language is pleasantly reminiscent of the writings of her brilliant brother.

Nevertheless the novel on the whole is rather dull and this reviewer cannot recommend it for either its theme or portrayal of character. However, it was the winner of the 1931 Northcliffe Prize in England and has been chosen as a "book-of-the-month" in the United States. W.B.

A Discussion of Chinese Art

Chinese Art, Selections from the new 14th Edition of the Enoyclopaedia Britannica. New York and London.

A perusal of these selections shows that the publishers have drawn upon the greatest living authorities for a comprehensive survey of Chinese Art, including textiles, architecture, painting, wood-carving, sculpture, ivory, jade, bronze and lacquer. The Art Director of the Encyclopaedia Britannica, Warren E. Cox, has prepared a table on Periods of Art, so that while one is studying any phase of Chinese art, one can tell at a glance what was going on in the rest of the world at the same time.

The authorities who have written on the various forms of Chinese art are experts, each of whom treats of the field he knows the best. They include such men as: Laurence Binyon, Deputy-Keeper of Chinese Prints in the British Museum, well-known author and art critic; A.F. Kendrick, Keeper of Textiles in the Victoria and Albert Museum, London; Carl W. Bishop, Associate Curator of the Freer Gallery, Smithsonian Institute, Washington; and Oswald Siren, Director of Stockholm National Museum. George Kunz, Ph. D. and Sc.D., the gem expert of Tiffany's, New York, writes on jade and other hard stone carvings.

In commenting on Chinese Art, Warren E.Cox says, "It must not be forgotten that in the field of art no people in the world have ever surpassed the Chinese in technical excellence, in beauty of conception, and feeling of all the sensitive and strong moods in execution." To understand their art is to understand the people themselves. And these selections with their accompanying illustrations are a great aid to that understanding.

The illustrations, many of them full-page and in both colors and half-tones, are remarkably fine. Where colored they are true to the porcelains and potteries themselves. A full-page, blood-red picture of a "sang-de-boeuf" vase is

In the United States Court for China

In. re. Estate of BERTHA CATHERINE BIXBY, Deceased

Cause No. 3482

Special Proceedings No. 802

NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Bertha Catherine Bixby, deceased, to present the same with vouchers to the undersigned on or before May 12, 1933, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Shanghai, China.
November 9, 1932.

HELEN F. DEARBORN
47-A Great Western Road,
Shanghai.

In the United States Court for China

In re. Last Will & Testament of KATE L. OGBORN, Deceased

Cause No. 3489

Special Proceedings No. 805

NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Kate L. Ogborn, deceased, to present the same with vouchers to the undersigned on or before May 20, 1933, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Shanghai, China.
November 15, 1932.

PAUL G. HAYES
Wuhu, China.

IN THE UNITED STATES CONSULAR COURT
FOR THE DISTRICT OF SHANGHAI, CHINA.

In re. Estate of DOMINADOR VILLARRUZ Deceased

Cause No,

Special Proceedings No. 135

NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Dominador Villarruz, deceased, to present the same with vouchers to the undersigned on or before May 26, 1933, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Shanghai, China.
November 18, 1932.

RAVEN TRUST COMPANY
Fed. Inc. U.S.A.

IN THE AMERICAN CONSULAR COURT
FOR THE DISTRICT OF SHANGHAI, CHINA.

In re. Estate of BERTHOLD CANN Deceased

Cause No.

Special Proceedings No.

NOTICE

Pursuant to an Order of side Court notice is hereby given to all persons having claims against the estate of Berthold Cann, deceased, to present the same with vouchers to the undersigned on or before May 19, 1933, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Shanghai, China.
November 16, 1932.

RAVEN TRUST COMPANY
29 Nanking Road
Shanghai.

a beautiful thing. The best part of all is that these articles and illustrations are bound separately by the publishers as a general guide and handbook for the student of Chinese art, and therefore available to those who cannot hope to be possessors of the new edition of the Encyclopoedia. They are of course the last word on the subject.

G. T. F.

READERS of *The China Weekly Review* who may be interested in obtaining copies of any books which have been reviewed in these columns, may obtain them by sending their orders in care of *The Review*....If obtainable in Shanghai the books will be mailed immediately at retail prices prevailing in Shanghai, plus postage, or if not obtainable here, they will be ordered from the publishers abroad. Send orders or inquiries to Book Editor, *The China Weekly Review*, 38 Avenue Edward VII, Shanghai.

CUSTOMS NOTIFICATION No. 1259

With reference to Customs Notification of the 9th January, 1932 notifying the public that the export abroad of second quality wheat flour would be allowed for a period of one year calculated from the 1st December, 1931, the public is hereby notified that in accordance with Government instructions the exportation abroad of second quality wheat flour will be allowed for a further period of one year from the 1st December, 1932 to the 30th November, 1933.

H. O. Tong,
Superintendent of Customs.
L. H. Lawford,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 29th November, 1932.

The Well-Deserved Fate

of the careless assistant who allowed the store to run out of

PINKETTES

LIVER & LAXATIVE PERFECTION

Bombing Incidents Again Prevalent in Shanghai

Much excitement was caused on Rue du Consulat, Shanghai, on the night of Nov. 25 by the explosion of a hand grenade which was thrown into a Chinese piece-goods shop. No one was injured, but a hole was blown through the ceiling, while two lamps were smashed.

The explosion and "bomb" throwing took place at about 7.25 p.m. when a Chinese, dressed in foreign clothes, walked up to the entrance and tossed in the grenade and a letter. The occupants scattered in all directions for safety and after the grenade had exploded, the letter was opened and found to have been sent by one of the many "Bloody Groups."

According to the report of the Shanghai Municipal Council's Watch Committee the Settlement authorities are doing everything in their power to curb anti-Japanese terrorist activities in the International Siettlement. As the result of an inquiry made by a member, the Commissioner of Police sumitted to the Committee a report on anti-Japanese terrorist activities here, and outlined the action taken by the police to cope therewith. The Commissioner emphasized the difficulty of obtaining assistance from members of the public in general or from individuals who had been threatened. The result of this reluctance to render assistance was that the police had to depend on their own sources of information. In cases where information of the receipt of threats was discovered, the terrorists had not carried out their avowed intentions. Special police precautions were taken in districts where bomb throwing had previously occurred; likewise, if information was given by shopkeepers that they had received threatening letters that their premises might be subjected to this from of terrorism, similar measures were adopted.

The Japanese telegrams of late have stressed the "great apprehension" felt by the Japanese residents over the recurrence of assaults on Japanese by Chinese mobs, in Shanghai and elsewhere in China, since the opening of the League Council.

The beating of a Japanese woman in the French Concession on November 23 and an attack on a Japanese named Kaneko on Nov. 26 by Chinese mobs near Hungjao Road were among the incidents cited. Besides these, threatening Chinese shop-keepers with bombs and pistols because of their dealing in Japanese goods, are mentioned.

Public Safety Agent Murdered by Reds

Four Chinese were seriously wounded and one was killed in Tatung Road Shanghai, on the night of November 25 as the result of a gun battle. All the five were in the employ of the Bureau of Public Safety and had been active in reporting on Communistic activities. It is believed that the attack was engineered by Communists out of revenge. Several arrests have been made in connection with the incident.

Nanking Takes Control of Red Cross

The Legislative Yuan last week adopted regulations placing the Red Cross organization under the direct control of the Ministry of the Interior and under the supervision of the ministries of War, the Navy and Foreign Affairs. The War and Navy ministries will direct its operations in time of war while the Ministries of the Interior and Foreign Affairs will direct its operations in China in famine relief work and also its activities abroad.

Co-operation Urged by Dr. C. T. Wang

The present international situation, especially the foreign policies of the principal Powers, was described by Dr. C. T. Wang, formerly Foreign Minister, in a speech delivered at a meeting of the Officers' Moral Endeavor Society in Nanking, Nov. 27. Dr. Wang urged the Government and the people to co-operate in the task of strengthening national defence and in the development of Chinese industries.

Sulphur Factory to Be Established at Dairen

High officials of the Japanese Ministry of Overseas Affairs and representatives of the South Manchuria Railway Co. met in Tokyo Nov. 26 at the official residence of the Overseas Minister, and decided to establish a suphur factory in Dairen with the capital of Yen 20,000,000. The factory will produce 100,000 tons of sulphur yearly, according to the estimate of the officials.

Japan Asks for Naval Parity

A recent *United Press* telegram from Geneva, in giving details of the proposals which will probably be made next week by Japan to the technical bureau of the disarmament conference made it evident that Japan seeks dominance in the Far East and that if the proposals which she will make are granted it will mean an acknowledgement of that position by the other powers, particularly Great Britain and America.

Aside from flatly rejecting the plan proposed by President Herbert Hoover, the *United Press* learned that Japan proposes that Great Britain and the United States sacrifice five capital ships each while Japan will give up but one. The plan will suggest that in exchange for other concessions Japan might give up two capital ships. Japan desires a disarmament treaty based on the geographical needs of each nation. She also plans to make the 1935 disarmament conference as provided for in the Washington treaty, unnecessary.

The Japanese plan rejects the Hoover proposal for an all-around reduction of one-third in all armaments on the grounds that such a plan would tend to make the strong nations stronger while the nations would become weaker. President Hoover's plan, the Japanese proposal maintains, is purely quantitative. The forthcoming Geneva conference might well make the 1935 conference unnecessary, the Japanese proposal will say.

The Japanese proposal further urges a disarmament agreement based on the fundamental disarmament proposals made last July in Geneva in the resolution stating that aggressive weapons should be reduced to a minimum, thus increasing the effectiveness of defensive weapons. President Hoover's proposal entirely ignores this basis for armament reduction, the Japanese claim. The plan then goes into details regarding the allotting of these defensive weapons and says that each nation would have defensive machinery based on its actual needs fully considered. The retention of submarines will be absolutely necessary, the Japanese proposal says for they are defensive weapons. It is suggested, however, that an agreement might be made to reduce the maximum size of the submarines. Abolition of aircraft carriers and of all cruisers equipped to carry aircraft, is proposed in another section. This section would eliminate the Washington Conference provision limiting the size of aircraft carriers to 27,000 tons.

The Japanese plan then proposed to reduce the tonnage of all capital ships to 25,000 tons maximum. The tonnage allowed under the Washington treaty is 35,000 tons. Simultaneously the gun caliber for capital ships would be limited to 14 inches. The caliber permitted under the Washington treaty is 16 inches. The plan then states that it should be possible to reduce the number of capital ships under a disarmament agreement based on defensive needs.

It is suggested that the total number of capital ships for Great Britain and the United States be reduced from 15 to 10. Japan would reduce her total from 9 to 8. However should Japan receive certain concessions her capital ships might be limited to 7.

President Elect Roosevelt's Naval Policy

President-elect Franklin D. Roosevelt has arranged a conference to be held next week with Representative Carl Vinson of Kentucky, chairman of the House naval committee, to work out an economy program to be presented to the special session of Congress. Mr. Roosevelt is stated to favor as a sharp reduction in expenditures on naval stations but will approve a generous policy toward the floating service. It was reported that he read with special interest the naval reduction program Japan is expected to submit to the Disarmament conference.

General Ma Acknowledges Receipt of Local Gifts

General Ma Chan-shan, chairman of the Heilungkiang Provincial Government, has acknowledged receipt of a total of $161,893 in a telegram sent to Shanghai at the beginning of the week. Of this amount, $70,000 was contributed by overseas Chinese in Batavia, while the remaining $91,893 was collected by philanthropic leaders in Shanghai. Both amounts were transmitted through the Bank of China. General Ma expressed deep appreciation for the support given him.

Latest New York Stock Exchange Quotations

Market—Steady — Business Done 500,000 Shares

Nov. 30, 1932

1931-2 High	1931-2 Low	Div.$ per Sh.	STOCKS	Mon. Nov.28	Tues. Nov.29
9⅛	1⅝	—	Adams Express	5⅛	5½
88¼	42½	•6.00	Allied Chemical & Dye	74½	73½
15⅝	4	—	Allis Chalmers	Unq.	Unq.
73⅞	29⅝	•4.00	American Can	51½	51⅝
15	2	—	American & Foreign Power	7⅛	6⅞
10	1⅛	—	American & Foreign Power Warr.	Unq.	5
27¼	5¼	—	American Smelting	14	14
137⅝	70¼	9.00	American Telephone & Telegraph	104⅞	104⅞
89¾	44	•5.00	American Tobacco "B"	61½	59⅝
34½	11	2.00	American Waterworks	18	17½
19⅜	3	—	Anaconda Copper	8⅝	8⅝
151¼	28¾	•4.00	Auburn Automobiles	42⅝	41½
21⅝	3¾	—	Baltimore & Ohio	10⅜	10
29⅝	7⅛	—	Bethlehem Steel	16⅛	16¼
43⅛	20	•2.00	Borden Company	23¾	23⅝
14⅛	3⅝	—	Borg Warner	8¼	8⅛
20⅝	7¼	—	Canadian Pacific Railway	12⅞	12¾
65⅝	16⅝	—	Case, J. I.	38⅝	33⅛
47⅞	19	2.00	Chase Bank	33½	34¼
20¾	4⅞	2.00	Chesapeake Corp.	14⅝	14½
21⅝	5	1.00	Chrysler	14⅞	15
6⅞	1¼	—	Cities Service Company	3¼	3
21	4¼	1.00	Columbia Gas & Electric	12¼	12¼
5¾	1⅝	.30	Commonwealth & Southern	2¾	2⅝
1	1/16	—	" Warr.	7/16	7/16
68¾	31½	4.00	Consolidated Gas of N. Y.	57	56⅛
9⅝	3⅝	—	Continental Oil	5¾	5¾
55⅝	24¾	•3.00	Corn Products	47½	48¼
7⅝	1½	—	Coty Inc.	3⅛	3⅞
3¼	⅞	—	Curtiss Wright Company	1½	1½
18⅝	5	.75	Douglas Aircraft	10	10
57	23	4.00	Drug Incorporated	33	33⅝
59¾	22	2.00	Du Pont de Nemours	36¼	35⅝
87⅞	35¼	3.00	Eastman Kodak	51	Unq.
45	5	6%S	Electric Bond & Share	20⅝	20½
16	2¾	—	Electric Power & Light	7	6⅞
8⅝	1	—	Fox Film "A"	2½	2⅝
26⅛	8½	.40	General Electric	15¼	15
40½	19⅝	2.00	General Foods	23	23⅛
24⅝	7⅝	1.00	General Motors	13⅛	13
28⅝	6⅛	1.00	General Railway Signal	Unq.	13⅝
24¼	10⅝	1.00	Gillette Safety Razor	18¼	17¾
20⅝	8¼	1.60	Gold Dust	15⅛	15⅛
29¾	5½	—	Goodyear Tire & Rubber	14½	15
18¾	3⅝	—	International Cement	8	Unq.
1⅝	½	—	International Com. Engine.	⅝	⅝
34⅛	10⅞	1.20	International Harvester	21	20¾
12½	3½	—	International Nickel	8	7⅝
15¾	2⅝	—	International Telephone & Telegraph	8¾	8¾
33⅝	10	—	Johns Manville	21¼	21
19¼	4⅞	—	Kennecott	10	6¾
9⅛	1/32	—	Kreuger & Toll	⅛	⅛
67¼	32⅛	•4.00	Liggett & Myers, "B"	53	53
87⅝	13¼	•3.00	Loew's Inc.	22⅞	23
18⅝	9	1.20	Lorillard P. Co. (Com.)	12¾	12¾
11⅝	1½	—	Ludlum Steel	Unq.	5½
16½	3½	—	Montgomery Ward	12⅛	12⅝
64½	23¾	2.00	National City Bank (bid price)	43	42¼
10¼	2½	—	Nevada Copper	6	6
86⅝	8¾	—	New York Central	23	22¾
42¼	13¾	10%	North American Company	26½	26⅝
37	16⅜	2.00	Pacific Gas & Electric	29	29
5¼	1½	—	Packard Motors	2⅝	2⅝
11½	1½	—	Paramount—Publix	3	2⅝
23⅝	6½	—	Pennsylvania Railroad	13⅛	13⅜
4⅝	1	—	Pennroad Corporation	1⅝	1⅝
8⅝	2	—	Phillips Petroleum	5⅝	5⅛
60	28	3.20	Public Service of N. Jersey	48¼	48
12½	2⅛	—	Radio Corporation	5⅞	5⅞
7⅜	1½	—	Radio-Keith Orpheum	3⅛	3⅝
40¼	26½	3.00	Reynolds Tobacco "B"	29	28¼
37⅝	9⅝	—	Sears Roebuck	18¾	18¾
8¾	2½	—	Shell Union	5⅛	5½
13⅝	3	—	Simmons Company	7⅛	7
12⅛	5¾	.80	Socony-Vacuum Corp.	7⅞	7¾
42¾	15¾	2.00	Southern California Edison	24⅝	24⅞
34¼	7⅝	2.00	Standard Gas & Electric	14⅝	14¾
37⅝	19⅛	•1.00	Standard Oil of N. Jersey	30⅛	30½
18¼	9¼	1.00	Texas Corporation	14¾	14⅝
26⅜	12	2.00	Texas Gulf Sulphur	21½	21⅝
7⅛	2⅛	—	Trans America	5	5
36⅝	15½	1.20	Union Carbide & Carbon	23⅝	23½
94½	27⅝	6.00	Union Pacific Railway	68½	68¼
34⅝	6½	—	United Aircraft & Trans.	24⅛	24
14	3½	.40	United Corporation	8¼	8⅛
22	9¾	1.20	United Gas Improvement	18⅝	18⅞
10¼	1¼	—	U. S. Rubber	4⅛	4⅜
52⅝	21¾	—	U. S. Steel	33⅛	33
23⅝	5¼	—	Vanadium	12¼	12
4½	½	—	Warner Bros. Pictures	1⅝	1¾
43½	15⅝	—	Westinghouse E. & M.	26¾	26
45⅝	22	2·40	Woolworth	35½	35
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Feb. 27, 1932	Vol. 59 No. 13
March 5, 1932	Vol. 60 No. 1

Mail with statement to

THE CHINA WEEKLY REVIEW
38 Avenue Edward VII,
Shanghai.

The National City Co. Gold Bond Quotations Received From Head Office

Nov. 24, 1932.

SECURITY	RATE &	DATE DUE	Price	Approx Yield%
The National City Bank of New York		Stock	42	—
Argentine Government	6 %	May 1, 1960	45	—
U. S. of Brazil	6½%	Oct. 15, 1957	15	—
Republic of Finland	6½%	Sep. 1, 1956	61½	—
German Central Bank for Agriculture	6 %	Oct. 15, 1960	46	—
Kingdom of Italy	7 %	Dec. 1, 1951	97¾	7.21
State of Minas Geraes Series "A"	6½%	Sep. 1, 1959	13½	—
State of Sao Paulo (Brazil)	7 %	Oct. 1, 1940	55½	—
American I. G. Chemical Corporation	5½%	May 1, 1949	74½	8.38
Chine Westphalia Electric Power Corp.	6 %	Apr. 1, 1955	46½	—
QUOTATIONS RECEIVED FROM LONDON OFFICE				
Republic of China Gold Loan	5 %	1925	71	—
Chinese Govt. Re-org. (£) Loan Stamped	5 %	1913/60	74	—
Chinese Govt. Re-org. (£) Loan Unstamped	5 %	1913/60	72	—
Chinese Government (Crisp Loan)	5 %	1612	45	—
Shanghai-Nanking Railway	5 %	1904/08	43	—
Shanghai-Hangchow-Ningpo Railway	5 %	1908/58	82	—
Hukuang Railway	5 %	1911/1951	26	—
Tientsin-Pukow Railway	5 %	1908/09	27	—

NOTE: The above quotations are received by cable, and whilst believed to be correct, are not guaranteed.

The National City Bank of New York, Rates of Exchange

Shanghai Nov. 30, 1932.

Demand selling rate on America:	U.S. $1.00 = Sh. $5.0225
Demand buying rate on America:	U.S. $1.00 = Sh. $4.9117
Demand selling rate on London:	£1.0.0 = Sh. $15.918
Demand buying rate on London:	£1.0.0 = Sh. $15.600

Canton Army Retreats Before Kiangsi Reds

Outnumbered by an overwhelming force of Communists from Kiangsi, the 1st division army of the Cantonese troops, under the command of General Gu Hang-mou end of last week were ordered to abandon their posts at Wangmutu and to make a strong defense at Hsingfoong pending the arrival of reinforcements.

Communists in West Honan Active

The *Review's* correspondent at Kaifeng, Honan, writes that the Red 3rd Army Corps, under command of Ho Lung, has escaped into West Honan. These Red forces are divided into three divisions, viz, the 7th division, under command of Wan I-Kung, the 8th division, under command of Tuan Teh-chang, and the 9th division, under command of Li Yung-lung. They intend to link up with Reds in South Shensi. General Hung Chieh, in command of the 2nd division of the National Government, with about 10,000 men, has been ordered to move towards Tungkuan, on the Honan-Shensi border, in order to prevent the advance of the Reds into South Shensi. More than 10,000 bandits, under Yang Li-kung, are now appearing in Hunan, Central Honan, and six big towns have been looted by them. They are said to be directed by the Communists.

Tai Chi-tao Visits Kaifeng

Tai Chi-tao, Minister of the Examination Yuan, accompanied with his wife, visited Kaifeng November 23. A large garthering welcomed him. In a speech he stated that the foreign aggressions are due to internal troubles in the country, that the knowledge and morality of the Chinese are far behind in comparison with that of the foreign nations, and the only way to save China is to follow the Three People's Principles.

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NOTICE

To Subscribers

(*Residing Overseas*)

Dating from August 1, 1932 the subscription rate for persons residing outside of China has been reduced from G.$10 a year to G.$8 a year, including postage.

The new rate applies to subscribers residing in the United States, Canada, Europe and Russia.

The new rate, estimated in the currency of the Federated Malay States is equivalent to s. s. $15. In India, Australia and other places using English currency the rate is equivalent to £2:8:0.

The China Weekly Review

38 Avenue Edward VII
Shanghai.

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Edited by T'ANG LEANG-LI

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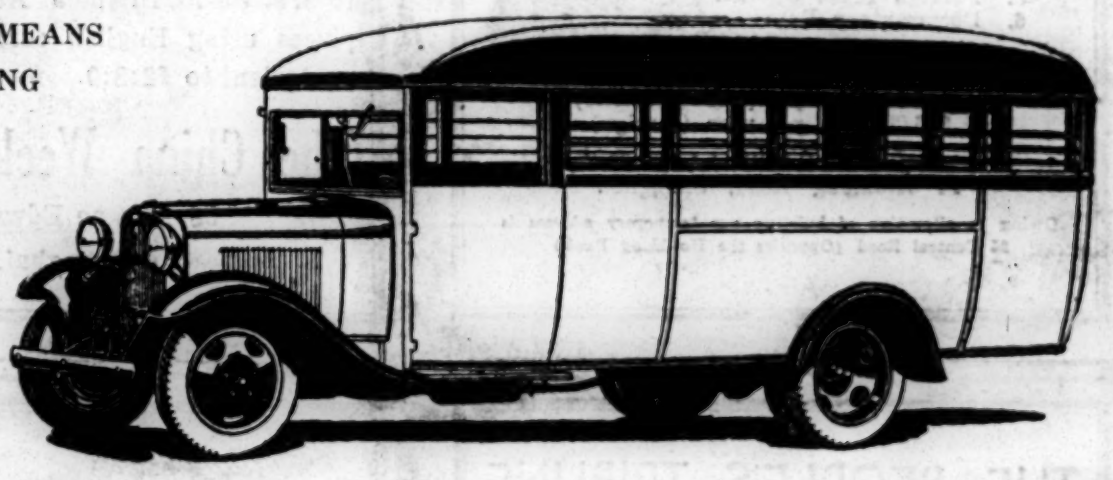

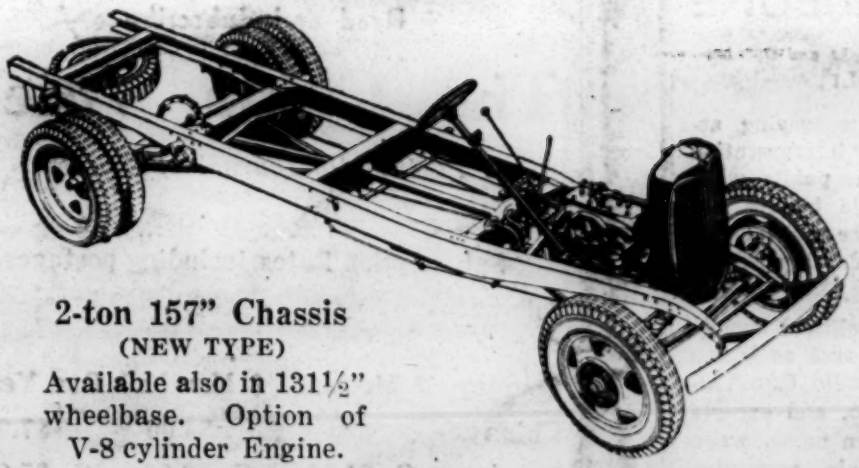

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